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**Corporate
governance**



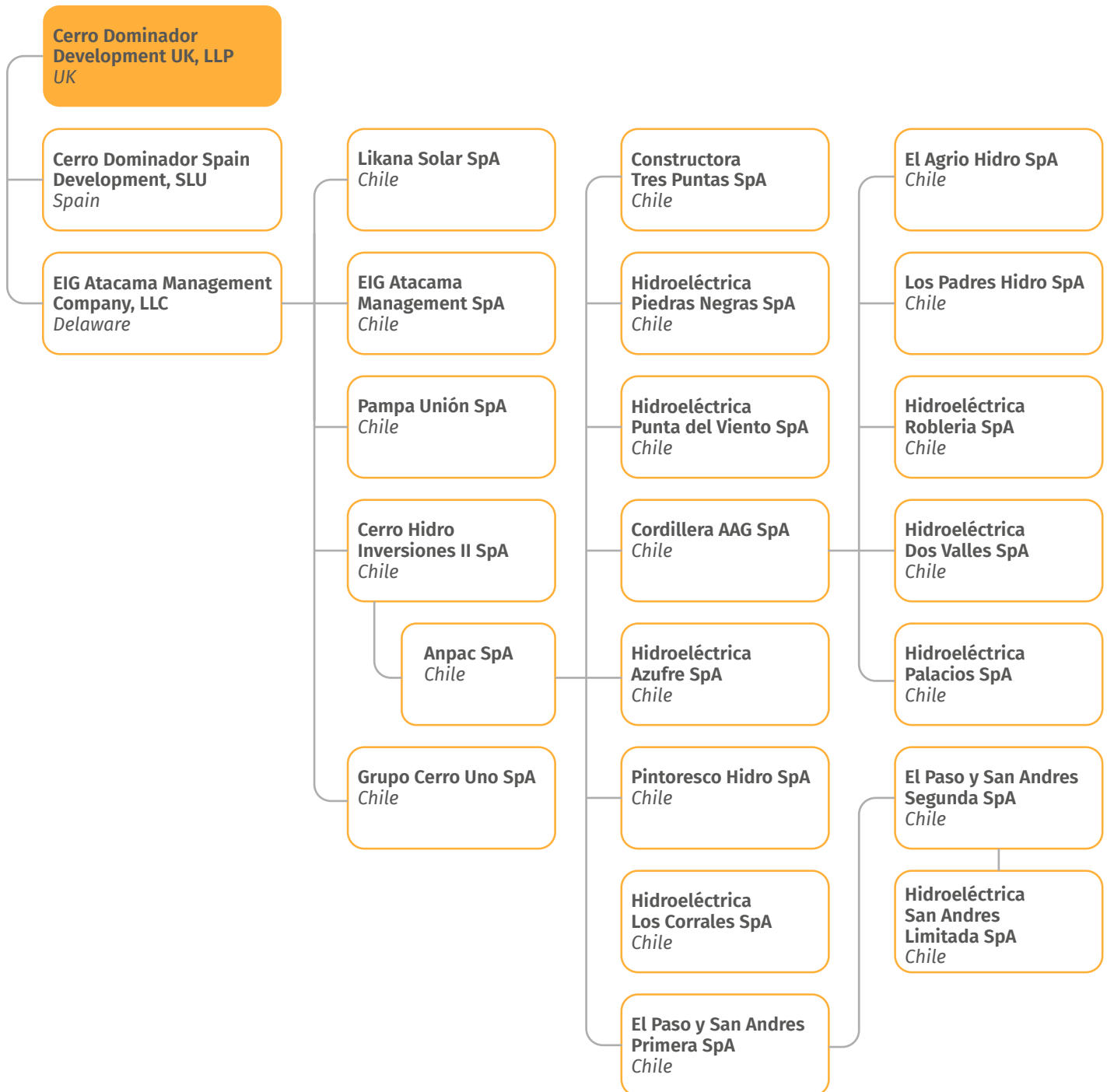
Ownership and controllers

GRI 2-2

Grupo Cerro is owned by funds managed by EIG, a group that issues strict guidelines on meeting environmental, social and corporate governance (ESG) standards in the companies forming a part of the group.

Cerro Dominador PV S.A. and Cerro Dominador CSP S.A. own, respectively, the photovoltaic and concentrated solar power projects that are currently in operation.

Likana Solar SpA and Pampa Unión SpA own the projects bearing the same name.



Corporate leadership

GRI 2-9 2-10 2-11 2-12 2-13 2-14 2-17 2-18

Our company is greatly committed to sustainability. The basic purpose of the group is to generate clean, renewable, manageable, flexible and sustainable energy. Therefore, our Board of Directors and Executive Committee are working hard every day on maintaining our commitments and on complying with governing laws and regulations. This is added to a leadership oriented towards motivating and stimulating the people who work at Grupo Cerro so that they understand the vision that inspires us and so that they work together with their leaders in achieving goals.

All companies in the group are managed by EIG Atacama Management SpA, which provides managerial and operating services under diverse service contracts.



Board of Directors

The corporations in the Group and some of the foreign holding companies are managed by a Board of Directors. The Board defines the general strategy of the companies and approves the strategic plan to be implemented by management. In doing this, it takes into consideration compliance with environmental, social and governance (ESG) standards.

The Board assesses and approves decisions on loan transactions, it approves contracts for the main projects, it grants powers of attorney to perform transactions and sign documents, among other actions.

The directors of the Chilean corporations are:

Jean-Daniel Borgeaud

Regular Director - Chairman of the Board

Nationality: Swiss

Mr. Borgeaud 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. He joined EIG in 2006. Prior to that he had been a consultant to EIG on a significant portfolio investment in Latin America. He began his career in finance at Credit Suisse Group AG in Switzerland and he later joined Credit Suisse in New York.

Walid Mouawad

Regular Director

Nationality: French

Mr. Mouawad is Managing Director and Global Co-Director of Energy and Renewable Energy. Before joining EIG in 2011, he was a director in the global energy team of WestLB, where he spent four years creating and organizing project finance transactions in EMEA. Mr. Moawad also worked as a senior investment analyst for CC Energy in London, an independent investment firm focused on energy, where he was involved in the acquisition and development of oil and gas assets in emerging markets.

Fernando González

Regular Director - CEO

Nationality: Argentine

Mr. González has more than 25 years of experience in the energy industry and he has worked for the Big Four Accounting Firms and Fortune 500 firms. He founded FGC Consulting LLC, a boutique consulting firm headquartered in Reston, Virginia. He also worked as the finance director in The Dorado Group, a company known internationally for leading independent energy projects, project financing and private infrastructure.

Pablo Lisandro Cavallaro

Alternate Director

Nationality: Argentine

Mr. Cavallaro has been practicing law for more than 23 years and he has worked on and specialized in financial, corporate and company, commercial and property legal matters. Some of his clients have been large companies like AES, Telefónica, Cargill and GEC Alstom, among many others. To complement his higher education, he earned a Master from the Korbel School of International Studies at the University of Denver.

Francisco Vizcaino González

Alternate Director

Nationality: Spanish

Mr. Vizcaino is an industrial engineer with 15 years of experience. He has worked in the management and coordination of subcontracts. Before joining Grupo Cerro, he was the subcontract coordinator for the Al Zour refinery project. Prior to that he worked for ACS GROUP - COBRA INDUSTRIAL PLANTS in the management and coordination of people for the procurement of all goods, services and subcontracts for the CDSEP project.

Nicole Pitronello Cornejo

Alternate Director

Nationality: Chilean

Nicole specializes in Damages and Contracting, and earned her law degree from Alberto Hurtado University, where she graduated cum laude. Her practice has mainly been corporate law, with experience in project financing and in company law in the commercial, civil and employment areas. She has broad experience in the energy sector where she has performed multiple tasks. She is experienced in handling lawsuits and managing outside studies.

What is the composition of the Board and what training do Board members receive?

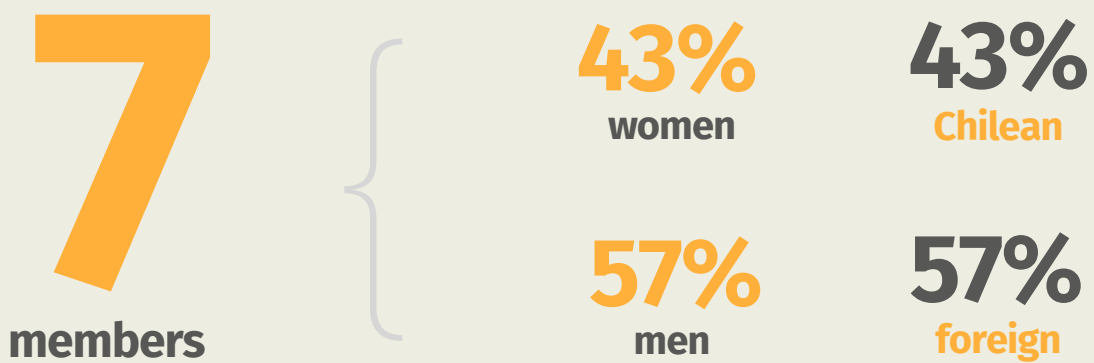
In the case of Grupo Cerro corporations, the Board is comprised of members retained directly by EIG, the sponsor. The parent company evaluates their performance annually. In 2021 and 2022, the Executive Committee and the Board received training in climate change as part of the TCFD reporting process.

According to article 50-bis of Law 18,046, no Board Committee is needed in Grupo Cerro because it is a closed corporation. Nonetheless, it does have an Executive Committee that is in charge of managing the Company's daily business.

Executive Committee

The Executive Committee of Grupo Cerro is responsible for the day-to-day operations of the company. It is comprised of the leaders of the different management areas. They are in charge of approving and refreshing the goals and plans of the organization. Decisions are adopted if delegated by the Board of Directors. The Executive Committee is headed by Fernando González, Chief Executive Officer (CEO).

Members of the Executive Committee are appointed on the basis of their competence and experience in the matters they handle. This committee is the highest governance body in Chile and is comprised of 7 members.



NATIONALITY OF THE EXECUTIVE COMMITTEE

3

Chilean

1

Spanish

2

Argentine

1

American



Francisco Vizcaíno
Project Director



Fernando González
CEO



María José López
Corporate Affairs and People
Officer

Executive Committee



Claudia Onetto
Regulation and Governance
Officer



Pablo Cavallaro
Chief Legal Officer



Juan José Chávez
Business Development and
Energy Management Officer



Laurie Kelly
CFO

How are members of the Executive Committee evaluated?

Members of the Executive Committee are evaluated on the basis of the diverse corporate and area goals in the Annual Strategic Plan. Those evaluations are made using the Buk tool and encompass competencies, alignment with the Grupo Cerro profile and whether goals and targets are met.

Risk management

GRI 2-6 2-25 3-3 207-2



Operations are exposed continuously to risks, so appropriate management of those risks is key to guaranteeing the sustainability of our business model. Each team manages specific risks of their areas that incorporate environmental, social and governance (ESG) considerations in the aim of aligning all actions to the sustainability commitments and goals that we have set. This is how we propose to lead the energy transition responsibly.

In 2021 we built a risk management model based on recommendations of the Task Force for Climate Disclosure (TCFD), a standard prepared by the Financial Stability Board (FSB) to consistently inform stakeholders of the financial impact of climate change. We are using this tool to

bring to light the way in which climate change is addressed by the organization's governance, its corporate strategy and risk management, in addition to disclosing the results of impact measurements and the goals set by the company.

A method was devised according to recommendations of the Intergovernmental Panel on Climate Change (IPCC) to qualitatively assess the risks found. We also analyzed the risks resulting from changes to regulations that have the potential to cause major changes to our commercial operations, revenue or expenses. If these regulatory changes are not implemented opportunely, it could have an impact on the revenue of the for 24/7 renewable energy business.

COMPONENT	DEFINITION	EXAMPLE OF PHYSICAL RISK	EXAMPLE OF TRANSITION RISK
THREAT	Changes in external factors that may cause harm to the company.	Increase in extreme winds.	Enactment of a new law.
VULNERABILITY	How susceptible or prepared the company is to confront the threats.	Evaluation of the ability to adapt and of the sensitivity of CSP and PV technology to different wind forces.	How the company's operations or chain of value will be impacted by the law.
EXPOSURE	If the company is or is not exposed to the threat. This is a binary number, meaning it either is or is not exposed.	Determining whether the assets are in an extreme wind zone.	Whether the new law encompasses power generators.



As a result, we prepared a heat map of the physical and transition risks indicating the level of risk based on the magnitude of the threat and our degree of vulnerability. The categories of both variables were critical, high, intermediate, moderate and low.

What do we understand by physical risk?

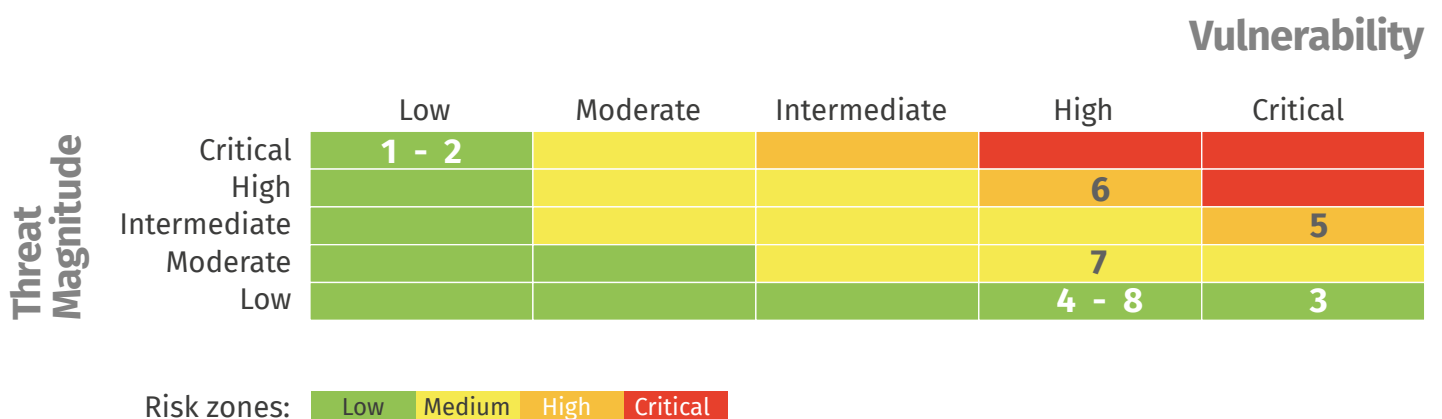
Physical risks are defined as the potential impacts caused by climate phenomena like extreme events (acute risks) or changes in long-term climate patterns (chronic risks). Their financial impacts may be direct, such as damage to property or interruption of operations, or indirect, like problems in the supply chain or rises in the prices of inputs.

What do we understand by transition risks?

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

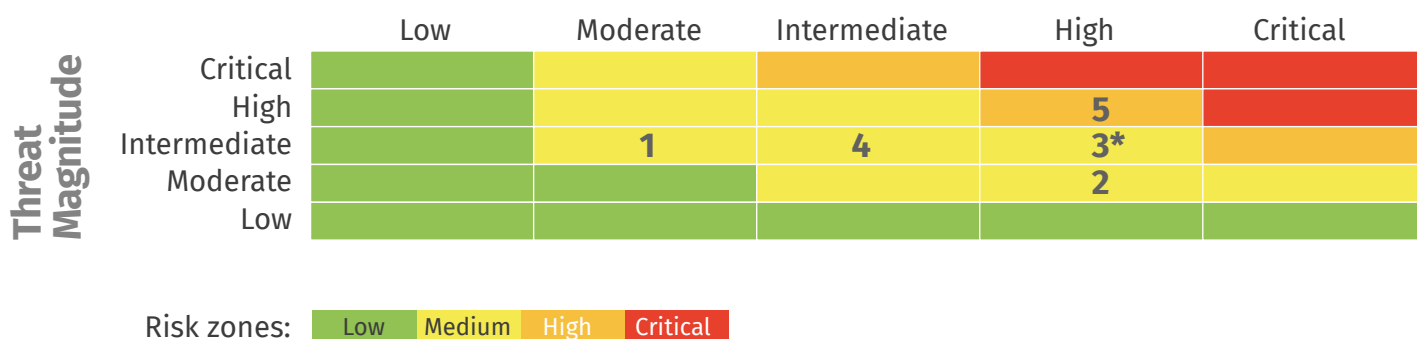
PHYSICAL RISK IDENTIFICATION MATRIX

THREAT		MAGNITUDE OF THE 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 mudslides	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 analysis helps us make strategic decisions because it looks at the physical risks (potential adverse impacts caused by climate phenomena) and transition risks (resulting from the uncertainty associated with activities to reduce our GHG emissions).

Main climate-related physical risks

It is important to us to know what our potential risks are and the impact they may have. For that reason, we constantly consider and evaluate climate risks, both physical and transition, in order to understand how they might affect our chain of value.

To evaluate physical risks, we used the Intergovernmental Panel on Climate Change (IPCC) assessment framework that considers risk on the basis of three variables: threat, exposure and vulnerability. We also used information from Climate Risk Atlas Explorer (Arclim) of the Ministry of the Environment to determine the magnitude of threats in an RCP 8.53 scenario.

PHYSICAL THREAT	INFORMATION ON VULNERABILITY AND POTENTIAL IMPACTS
INCREASE IN TEMPERATURE	A system is in place to cool the equipment most sensitive to high temperatures. Moreover, electrical equipment has been installed in air-conditioned rooms. The efficiency of electricity generation may be reduced because of a loss of cooling and transmission capacity. However, no major impacts are expected.
INCREASE IN HEAT WAVES	Generation using CSP and PV technology is directly dependent on solar radiation, so a reduction in that radiation would cause a considerable decrease in generation. However, climate models do not predict a decrease in solar radiation.
DECREASE IN SUNLIGHT	Equipment is designed to withstand from -7°C to 50°C, so it is not expected that equipment or equipment operation will be damaged. It is possible that there will be a greater heat loss due to temperature differences.
INCREASE IN COLD WAVES	Mudslides may cut off the Cerro Dominador supply chain and the ability of employees to reach the plants. This may translate into a stop in operations because of a lack of employees or services. However, no increase in these extreme events is predicted.
INCREASE IN THE FREQUENCY OF MUDSLIDES	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, added to a loss in temperature in the receivers.
INCREASE IN EXTREME WINDS	If there are water cut-offs and/or rationing because of changes in regulations made as a result of a generalized drought in the country, there would be a considerable reduction in the production of electricity and maybe even a shutdown of the plant. The plant requires water to maintain the panels and heliostats and for the recirculation process, from which it is discharged.
INCREASING WATER SHORTAGE: FOCUS ON OPERATIONS	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. The node to which Grupo Cerro injects is mainly supplied by renewable energy, so it has a low variable cost. Moreover, the nodes at which electricity is withdrawn by its customers could be impacted by an increase in the marginal cost. This will be due to a lower hydroelectric generating capacity because of the drought in the withdrawal zone and therefore a higher diesel-fired generation or generation using other more costly technologies.
INCREASING WATER SHORTAGE: FOCUS ON THE ELECTRICITY MARKET	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.

Main climate-related transition risks

In assessing transition risks, threats were found because of an accelerated transition to a low carbon economy, so the vulnerability of Grupo Cerro to those threats was determined. Threats due to regulatory, reputational, technological and market changes were considered in view of the country's progress in relation to carbon emissions and greenhouse gas (GHG) emissions.

TRANSITION THREAT	INFORMATION ON VULNERABILITY AND POTENTIAL IMPACTS
<p>DECARBONIZATION OF THE MATRIX: GREATER SHARE OF RENEWABLE ENERGY</p>	<p>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.</p> <p>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.</p> <p>On the other hand, the prolonged drought has meant that part of hydroelectric generation has been replaced by diesel-fired or other types of generation in some zones of the country, with the consequent increase in generation marginal costs. This supposes an increase in the marginal costs at the withdrawal nodes of Grupo Cerro's customers in those zones. Moreover, 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.</p> <p>However, Cerro Dominador earns most of its income from its Power Purchase Agreements (PPA), which protects it from the variability of the spot market.</p> <p>There is also 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.</p>
<p>DEVELOPMENT OF STORAGE TECHNOLOGIES</p>	<p>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.</p> <p>Although the CSP storage capacity differs from that of batteries, regulations may consider them to be the same. 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. Moreover, in comparison to CSP technology, a batter system is better able to reduce costs via economies of scale. Battery technology continues to represent a future threat, but 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).</p>

TRANSITION THREAT	INFORMATION ON VULNERABILITY AND POTENTIAL IMPACTS
<p>INCREASE IN THE PRICE OF COAL AND GREEN TAX OFFSETTING</p>	<p>To achieve a 2°C emissions reduction level, the emissions tax must increase to truly catalyze changes in industries. For example, the Long-Term Energy Plan (PELP, the acronym in Spanish) simulated the future power grid using taxes ranging from USD 10 to USD 70 per ton of CO₂. This could impact Grupo Cerro because renewable power generators must pay an extra cost to thermal power generation companies subject to carbon tax.</p> <p>The implicit extra cost 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 extra cost could not be transferred to customers, the vulnerability would be greater.</p> <p>In addition, the green tax costs could decrease as a result of the decarbonization of the power grid and the ensuing lower quantity of emissions assessable by the tax.</p>
<p>DECARBONIZATION OF THE CHAIN OF VALUE</p>	<p>At this time there are no regulations (in force or under debate) that require companies to report their carbon footprint and/or manage their greenhouse gas emissions. Society and stakeholders are increasingly requiring companies to set reduction goals consistent with the science, which entails important decarbonization actions.</p> <p>Since most of the Grupo Cerro's carbon footprint is in scope 3 (indirect emissions associated with its suppliers, contractors and other points in the chain of value), the company might experience difficulties in undertaking actions to manage the associated emissions. However, it is perceived internally that there are points for improvements where actions could be implanted to reduce the emissions in its operations.</p>
<p>CONFUSING REGULATORY SIGNALS</p>	<p>The Government's message about its climate ambitions has been clear. One of the pillars presented to attain the goals of its National Certain Contributions (NDC, the acronym in Spanish) is electrification of the matrix. However, in some cases, the regulatory framework has not given the same signs to the electricity market. There are precedents that show how regulations do not appreciate the advantages of certain renewable electricity generation technologies that do provide storage capacity over others that do not.</p> <p>In particular, Cerro Dominador CSP technology can generate and store electricity long enough to be injected on a regulated basis at different times of the day and night, which makes the system flexible. However, these qualities are not captured by the present regulatory framework in which CSP is considered a technology equivalent to photovoltaic or wind technology.</p>

Main climate-related opportunities

The efforts to mitigate and adapt to climate change can create both opportunities and risks for organizations. Those opportunities will vary depending on the region, the market and the sector in which each organization does business. Different opportunities created by climate change that could be captured by Grupo Cerro were also surveyed during the workshops held to identify and assess climate risks.

OPORTUNIDAD	ANTECEDENTES
CHANGES IN REGULATIONS TO EMPHASIZE THE BENEFITS AND INCENTIVES FOR CSP GENERATION IN COMPARISON TO OTHER RENEWABLE OR CONVENTIONAL GENERATION SOURCES	<p>According to the study that ACERA commissioned from SPEC, at least 2 GW of installed base renewable energy will be needed from now to 2030, part of which could come from Cerro Dominador CSP technology by which electricity can be generated and stored long enough to be injected on a regulated basis at different times of the day and night, making the system flexible.</p> <p>In order to meet the Government's decarbonization plan without compromising the safety of the power grid, regulations must be amended to encourage the use of clean base energy like concentrated solar power. Under this premise, new regulations could be enacted that would help mobilize the incentives to prefer CSP technology, even to other types of renewable power.</p>
CUSTOMERS WHO NEED A TIME-TRACEABLE, CLEAN POWER SUPPLY 24/7	<p>Cerro Dominador's concentrated solar power means that clean energy is supplied constantly during the day and at night. So, any customer who wants or needs clean energy 24/7 could be supplied by Grupo Cerro. For example, companies in the telecommunications or information services sectors that must operate 24/7.</p>
SYNERGIES WITH THE GREEN HYDROGEN GENERATION MARKET	<p>The electricity used to produce green hydrogen (GH₂) accounts for 80% of the cost of this fuel. If CSP technology is used to supply the electrolyzer, efficiency can be increased by as much as 45% in comparison to other sources of energy because part of the electricity used to separate the water molecules will be replaced by high temperature steam.</p> <p>Additionally, since the CSP plant can produce energy 24/7, GH₂ can be generated continuously throughout the day and night, which will amortize the cost of the electrolyzer 24 hours a day instead of only during the time when a variable generator can operate.</p>
ACCESS TO FINANCING THAT FOSTERS RENEWABLE POWER GENERATION AND IS GOOD FOR COMPANIES LEADING THE LOW CARBON TRANSITION	<p>The transition to a low carbon economy needs public and private financial support. Diverse competitive funding has been made available by companies contributing to clean generation because the energy generation sector is responsible for close to 40% of global emissions.</p> <p>Moreover, capitalizing on climate and technology leadership and the reputational benefits that come with it will help Grupo Cerro continue to create strategic alliances for its development.</p>

Ethics management

GRI 2-29 3-3 205-1 205-2 205-3

Grupo Cerro has adopted a Code of Conduct that intends to ensure that our employees are honest and act according to the ethical framework appropriate for our group. The Code of Conduct is also comprised of **supplementary policies** that must also be followed by everyone who joins the company so that all employees are aligned with the values and standards required in the Company.

The content is reinforced during the year through different training courses.

We are also governed by international laws

As members of the EIG group and a subsidiary of American, European and British companies, we are also governed by the United States Foreign Corrupt Practices Act, the UK Bribery Act and European ethical standards.

Ethics Committee

The company has an Ethics Committee whose members are the CEO, the chief legal officer and the compliance officer. This team is in charge of safeguarding Grupo Cerro's ethical standards and of ensuring that our conduct is according to the Company's policies.

How can you clarify your doubts about the Code of Conduct?

All employees can ask questions or request assistance in ethical or legal matters through the following communication channels:

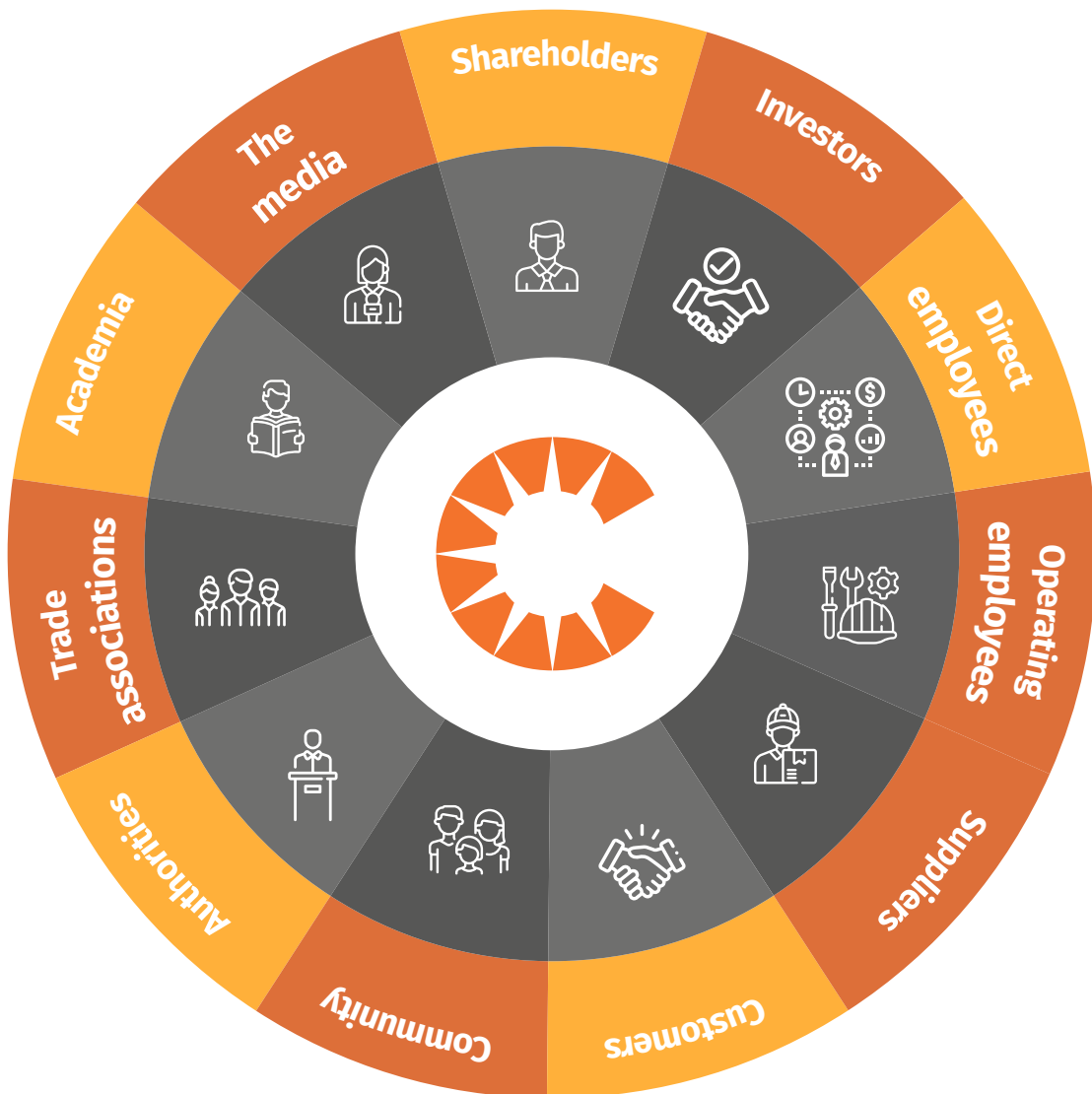
- By sending an e-mail to: denuncia@grupocerro.com
- By visiting the compliance officer or chief legal officer.

⁷ Global Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Corporate Disclosure Regulations, Ethics Committee Regulations.

Relationship with stakeholders

GRI 2-16 2-29 3-3 207-3 415-1

Grupo Cerro is in an environment in which we relate with different stakeholders, and we work with them to attain the goals we have proposed to develop our operations. In this respect, we must emphasize that we want, based on our sustainability strategy, to ensure that all our activities consider both the contribution we make to, and their potential social and environmental impact on, neighboring communities, industry and society as a whole.



We engage with our main stakeholders and address any questions and suggestions they may have.

STAKEHOLDER	MEANS OF COMMUNICATION	MAIN CONCERNS
SHAREHOLDERS	Sustainability report, annual ESG questionnaire, monthly CEO meetings, monthly reports by area.	Monitoring the effects of climate change, corporate governance, economic and financial performance.
INVESTORS	Meetings with the CEO, monthly reports by area, weekly management report by area. Sustainability Report.	Monitoring the effects of climate change, corporate governance, economic and financial performance.
DIRECT EMPLOYEES	Buk platform, internal memos from the info e-mail address, direct contact by the People Area, intranet.	Sustainable management of people.
OPERATING EMPLOYEES	Bulletin boards, printed brochures at plants,	Sustainable management of people.
SUPPLIERS	Direct channel of communication with the Procurement Area.	Development of, and aid to, local suppliers to create a solar economy.
CUSTOMERS	Website, social networks, Sustainability Report.	Questions, requests for specific information, monitoring of the effects of climate change.
COMMUNITY	Participative community assemblies, informational brochures, meetings, workshops, training, social networks, website, complaints channel.	Community engagement and development, hiring of local labor, social investment in solar energy, promotion of entrepreneurship, innovation, energy transition.
AUTHORITIES/TRADE ASSOCIATIONS	Meetings.	Energy transition, regulations and public policy.

Alliances and memberships

GRI 2-28

We are aware of the importance of teamwork with different actors engaged in the energy industry in uniting forces and talents to contribute to a sustainable future. These synergies help us combine the best of many companies and organizations in the aim of strengthening our knowledge to make operations more agile and innovative, to transfer technology, to enter new markets and distribution channels, and to engage more with the stakeholders of Grupo Cerro.



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

amcham CL

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



We are one of the founders of the Concentrated Solar Power Association (ACSP, the acronym in Spanish) whose mission is to publicize the benefits of concentrated solar power technology in the country.



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