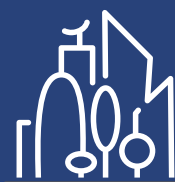




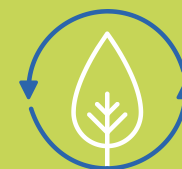
2021 INTEGRATED ANNUAL REPORT

WE DELIVER GOOD ENERGY
TO THOUSANDS OF PEOPLE
IN A TIMELY AND EFFICIENT
MANNER

 See more



Leaving a
legacy



Balancing the
resources



Creating innovative
solutions



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VISION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders:

It is an honor for me to address you to outline the most important milestones of the main developments and activities of Lipigas during 2021.

It has been a difficult year for the company and the industry, with sharp rises in the international price of gas, in addition to the increase in the cost of key raw materials, such as steel for cylinders, and of fuels needed for freight and distribution, which have put pressure on the increase in the final price of the product to the millions of gas consumers in the country.

Chile is not a gas producer, unlike other countries in the region, and 85% of what it consumes is imported. The remaining percentage is produced by Enap from oil, which is also imported. This makes us especially dependent on the international price, which has been rising since November 2020, but which in 2021 reached levels we had not seen in the last 15 years. By way of reference, in 2021 the price of the Mont Belvieu reference (USA, from where Chile imports) was 125% higher on average than in 2020. In other words, the cost of bottled LPG more than doubled. This has been

exacerbated recently by the war in Ukraine, which has increased the international price of fuels such as gasoline, oil and kerosene, in addition to the price of LPG.

We are concerned about this increase, in which we have no influence as a country, because it directly affects the pockets of families. Chile has a price stabilization mechanism for other imported fuels, such as diesel, gasoline and kerosene, but inexplicably liquefied gas is not included, despite the fact that it is consumed by more than 80% of the country's households and is an expense that becomes more relevant as household income decreases. This is an anomaly that should be corrected.

In this scenario, in December 2021 the FNE (Chilean National Economic Prosecutor) delivered its final report on the Gas Market Study. In this report it makes recommendations to improve the industry and, supposedly, improve competition, which has generated the expectation of lower prices at the local level. However, none of the measures proposed by the Office of the Attorney General address the underlying problem: that we are importers of gas and price takers in the international market. What the report proposes as a solution, among other measures, is to prohibit gas companies from participating in direct distribution to end consumers, supposedly to increase competition, which would lead to lower prices. At Lipigas we support competition, but

we consider that such a measure would be a bad public policy, as it would achieve just the opposite effect, because it would eliminate from the market the most efficient players, with greater technology and scale economies, who charge lower prices, in order to reserve this role to thousands of small distributors currently operating in the market. Lipigas has a direct sales network, through which a 15 kg cylinder - the most purchased by Chilean families - has an average final price 6% lower for the end consumer than the one distributed through a distributor. Such a measure would also affect the safety and efficiency of the service to which customers are already accustomed. In fact, today 80% of the cylinders distributed directly by Lipigas arrive at the door of homes in less than 45 minutes on average. If these measures persevere, they could end up harming gas consumers, that is, 80% of the population.

The most worrying aspect is that false expectations are being generated in people, which may end up being frustrated again if measures are not taken to effectively address the international price, as is the case with other imported fuels.

As a company, we will participate in all legislative instances to deliver our point of view - based on concrete data and a deep knowledge of what is happening "on the street", supported by the approximately 21 million cylinders sold in the last 12 months

to contribute to ensure that any regulation that is implemented in the gas industry will effectively benefit consumers.

In this scenario of increases, caused by rising international gas prices, during 2021 irresponsible and completely unfounded accusations were raised about an alleged collusion between companies in the industry, which in the case of Lipigas is not supported by any evidence, so we strongly deny them. In fact, the gas market is highly competitive. An example of this is that approximately 40% of users change brands every time they buy a cylinder, with the ease of comparing prices through applications. Competition is also reflected in the fact that companies' market shares vary greatly from region to region and are highly dynamic.

In view of the sustained increases in the cost of gas, we have taken measures related to variables that we can control, such as logistics. One example is LipiVecino, a system with pick-up at the point of sale, where customers can access lower prices, saving on home delivery. In March 2022 we reached 82 stores in 56 communes, and we plan to reach 106 points of sale before winter. In addition, we have continued to expand our alliances with municipalities to offer neighbors gas at lower prices. As of March 2022, we have signed 82 agreements that already reach 270 thousand families. All these initiatives have been very well received in the communities.

At Lipigas we are adapting to a scenario that is full of challenges and also opportunities, not only for our main activity, gas, but also for the development of new businesses and other sources of income. It is a transformation process that is based on a strategic plan under permanent review that we began to implement more than three years ago. This plan has four lines of action: i) strengthen the core business, seeking an operation of excellence, reliable and close to the customer ii) strengthen the digitization of the company to support the core business and new ventures with a solid technological base iii) venture into the electricity business through commercialization to end customers, explore distributed generation based on renewable energies and provide services, among other initiatives, and iv) seek new sources of income from our main strengths: logistics capacity and the relationship with our customers.

As part of this forward-looking strategy, the company created the Green Hydrogen Management area and the subsidiary Logística y Desarrollos Digitales, whose focus is the development of new businesses.

As for the gas business, in 2021 we had important milestones, such as our alliance with Suburban Propane and Oberon Fuels, a commercial producer of renewable dimethyl

ether (rDME), which has allowed us to exchange knowledge and lay the groundwork for the development in Chile and Latin America of a gas of renewable origin, which is mixed with LPG to obtain a product with low carbon emissions. One of the great advantages of this gas is that it allows us to use the same cylinders and existing infrastructure. We have already started the first tests in Chile with the aim of making our core business more sustainable.

On another front, we signed an alliance with the brewery AB Inbev Chile and Transportes San Gabriel to inaugurate the first LNG refueling station for long-haul trucks in Chile. Located in Linares, it supplies clean energy to the first fleet of 35 high-tech trucks, reducing CO2 emissions by up to 18% and contributing to decarbonization.

At the same time, we made progress in the generation and commercialization of electricity in the country. The purchase of 80% of Four Trees Energía Distribuida, a photovoltaic solar energy company, which has 19 plants throughout Chile, represented a step forward for this business during 2021.

In Peru, we became the first company to bring natural gas to Cuzco and we signed agreements that will enable us to expand

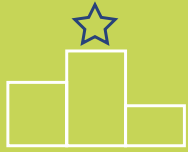
our presence in the LNG market, taking advantage of the fact that the country is a natural gas producer, while in Colombia we began operations to offer high-speed internet service -as a complementary product to the provision of network gas- to customers in small and medium-sized cities in the interior of the country.

All of the above is aimed at preparing the company for the future, in a process of adaptive transformation in which people are fundamental. It is thanks to our workers, contractors, distributors and carriers that we have weathered the most difficult moments of the pandemic, taking care of everyone's safety and maintaining operational continuity, always thinking of delivering the best service to our customers.

One of the most valuable things is that all these efforts have been made while maintaining good relations among people. A reflection of this is that we continue to be one of the best companies to work for in Chile, according to the Great Place to Work ranking. In addition, for the second consecutive year we won first place in the Excellence in Productivity category of the KAIZEN Award, a prize for the collaborative work of the different areas of the company.

My recognition and appreciation are extended to the extraordinary team that makes up the company, its employees, executives, board members and directors. Together we are building a company focused on the future, which seizes the opportunities and seeks to be more sustainable every day. I invite you to continue to be part of this transformation.

Juan Manuel Santa Cruz Munizaga
CHAIRMAN OF THE BOARD OF DIRECTORS



Chapter 1

EMPRESAS LIPIGAS AT A GLANCE

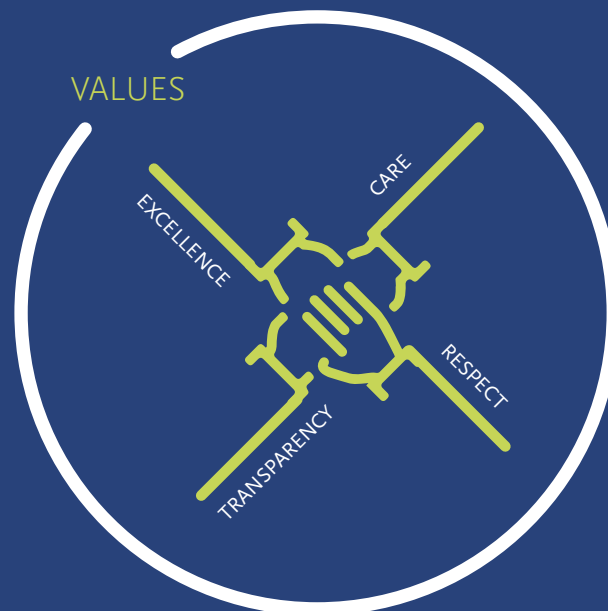
We are a company dedicated to providing comprehensive energy solutions to our clients in Chile, Colombia and Peru.



WHO ARE WE AND WHAT WE DO?

PURPOSE

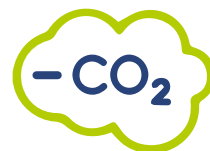
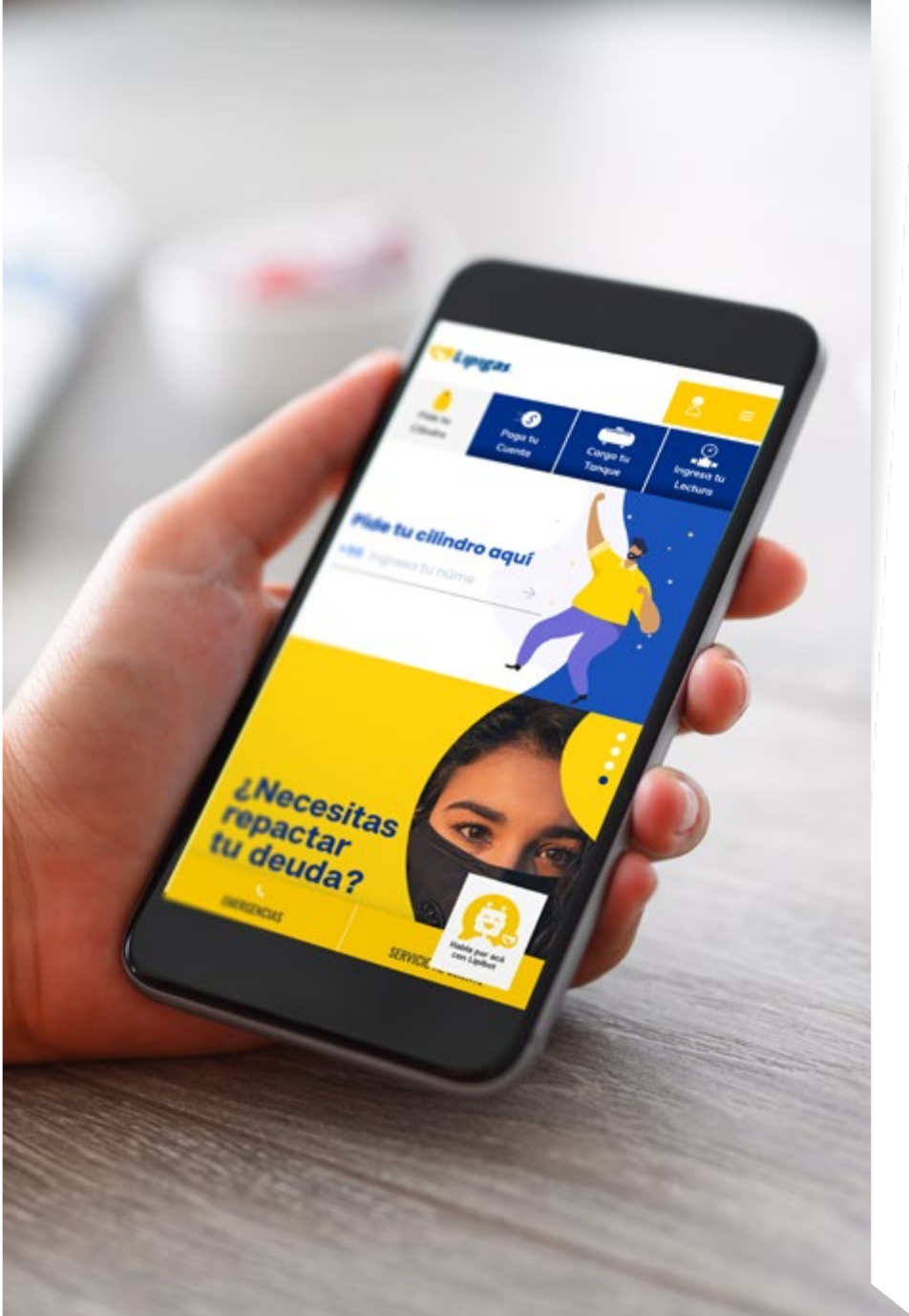
To provide access to all of the people in the territories where we operate, to energy solutions adapted to their needs and that help improve their quality of life, promoting sustainable development and generating value for our customers, employees, shareholders and communities.



COMPANY IDENTIFICATION

Basic information

- Corporate name: Empresas Lipigas S.A.
- Legal address: Apoquindo 5400, 15th floor, Las Condes, Santiago de Chile.
- Chilean Tax ID: 96.928.510-k
- Type of entity: publicly traded corporation.

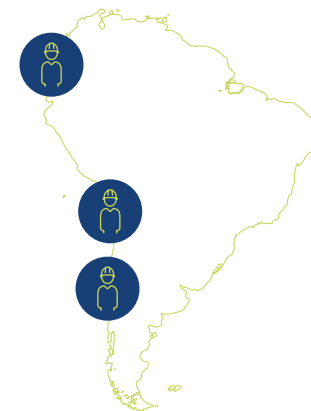


Incorporation

The Company was incorporated in Santiago, Chile by a public deed dated August 9, 2000, before the notary public Mr. José Musalem Saffie. An abstract of such deed is registered on the Santiago Registry of Commerce on page 21,484 No. 17,133 of the Santiago Real Estate Registrar and published in the Official Daily Newspaper on August 24 of that same year. Its corporate purpose is to invest, acquire, sell, manage, operate and commercialize, in any capacity, on its own account or on behalf of others, all kinds of own or third party personal property or real estate property, corporeal and incorporeal, and participate in all sorts of companies related to the line of business of import, export, storage, fractionation, commercialization, distribution and transport of liquefied petroleum gas (LPG) and all kinds of liquid and gaseous fuels. Also, the generation and production of electric energy or other kinds of energy in any of its forms or nature, and the commercialization, operation, sale, supply and distribution of these types of energy.

Contact information

- Principal office: Apoquindo 5400, 15th floor, Las Condes, Santiago de Chile.
- Website: www.lipigas.com
- Telephone: (56-2) 26503620



Principal foreign offices

COLOMBIA

Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. and RedNova S.A.S. E.S.P.
Transversal 23 # 95-53, 7th floor. Barrio Chico Norte Bogotá, Colombia.
Telephone: (57-1) 7440580

PERU

Lima Gas S.A. y Limagas Natural Peru S.A.
Calle Bernini N° 149, Torre Trazo, 4th floor. San Borja. Lima, Peru.
Telephones:
(51-1) 6173333 Lima Gas S.A.
(51-1) 6408888 Limagas Natural Peru S.A.

Investor Relations

Matías Montecinos Buratovic
E-mail: comunicacionesinversores@lipigas.cl
Telephone: (56-2) 26503620

BUSINESS

Empresas Lipigas is a company with presence in Chile, Colombia and Peru, dedicated to delivering comprehensive energy solutions to its customers, through its different products: liquefied petroleum gas (LPG), natural gas (NG) in different formats and electric energy. Each of these products, either alone or with combined solutions, satisfy needs and allow multiple uses in homes, businesses, institutions, industries and transportation.

Additionally, the Company is exploring and implementing new projects that allow the incorporation of renewable energy alternatives and/or that contribute directly to the carbon neutrality goal. It also ventures into complementary businesses such as high-speed internet service, a complementary product to the provision of network gas in Colombia, and digital developments through startups.

OUR PRODUCTS



LIQUEFIED PETROLEUM GAS

Cylinder Bulk Metered

Cylinder-bottled LPG is the main form of distribution. They vary in size according to customer needs. It is also distributed in bulk to be stored in common or individual tanks for customers in the residential, commercial, industrial and transportation sectors. The metered gas format is designed to deliver LPG via pipelines to multiple independent consumption points from a common tank station (located in buildings, condominiums, housing developments or small towns), which is also replenished on a regular basis by injector trucks.



NATURAL GAS

Network natural gas (NG)

Liquefied natural gas (LNG)

Compressed natural gas (CNG)

Natural gas is distributed to customers through ground networks (pipelines) and, as with LPG, has multiple applications in different sectors, with uses ranging from food cooking to electricity generation and vehicle transportation.


LNG is natural gas converted to a liquid state through a cooling process. The company distributes LNG via trucks to industrial customers far from gas networks. In addition, in 2021 it began commercializing LNG for long-distance cargo transportation with the inauguration of its first refueling station supplying such energy to a fleet of 35 trucks in Linares, Chile. As in the case of bulk LPG, LNG is demanded by industries that require large amounts of energy for their production processes, allowing them to replace polluting fuels such as diesel and fuel oil.

CNG is a fuel for industrial and vehicular use. It is the same natural gas used in homes, but differs in that, for use in automotive and industrial processes, it is submitted to high pressure, allowing the storage of large volumes in a small space. It is mainly used by industrial and vehicular customers located in areas where there are no conventional gas pipelines.

ELECTRIC ENERGY

Lipigas provides customized electric energy solutions for industries, businesses and other entities that can opt for the free client modality and also for cogeneration projects based on liquefied gas (LPG) and liquefied natural gas (LNG). Due to its environmental attributes, gas plays a key role in electricity generation as a complement to intermittent renewable energies, providing flexibility to the system and ensuring supply continuity.



More information on the industry sector (products and business), competition, market, regulatory framework, activities and business (Chile, Colombia, Peru) on page 96. 

GEOGRAPHIC REACH AND PRESENCE



OUR IMPACT ON SOCIETY



ENERGY INCLUSION

- 90% of households in Chile use LPG for their heating and cooking needs.
- The versatility and ease of distribution of LPG makes it the only sustainable energy option for off-grid locations such as islands, mountain areas, rural and remote communities.
- Empresas Lipigas reaches 99% of the communes in Chile, 63% of the provinces in Peru and 94% of the municipalities in Colombia.

NETWORK OF SMALL COMPANIES IN THE VALUE CHAIN

- The LPG value chain is made up of thousands of small companies, which in Empresas Lipigas reach 1,183 distributors.

NEW CLEAN ENERGIES

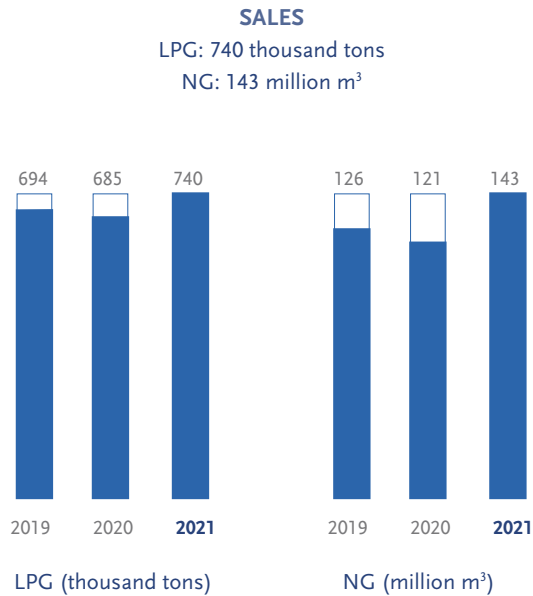
- Lipigas is exploring more sustainable energy alternatives (including green hydrogen, biofuels and solar energy) that will help the countries in which it operates to advance in the decarbonization of their economies.

DECONTAMINATION OF HOMES AND CITIES

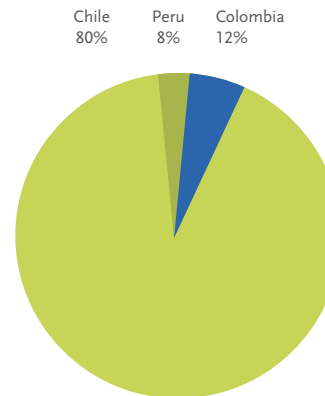
- LPG releases 30% less CO₂ per energy unit than coal or oil; and NG, about 50% less. That is why it is considered a cornerstone in the world's transition to the clean energy of the future.
- A gas heater pollutes up to 170 times less than wood-fired equipment.
- More sustainable transportation: Lipigas is offering liquefied natural gas (LNG) for cargo transportation in Chile, replacing diesel. In addition, compressed natural gas (CNG) for cargo and long-distance transport, and natural gas for vehicles, which is already being implemented in Peru.

MAIN 2021 RESULTS

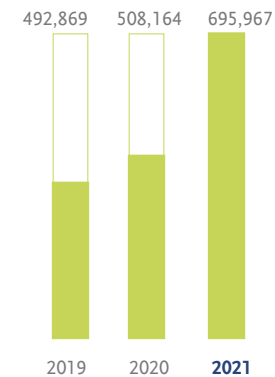
FINANCIAL



EBITDA
CLP\$ 105,036 million



REVENUES
CLP\$ 695,967 million



ENVIRONMENT

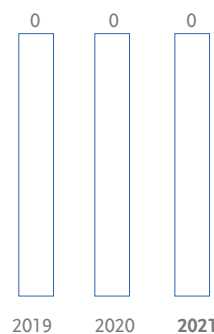
New projects to move towards carbon neutrality:
BioLPG, green hydrogen and solar energy.

Carbon footprint measurement
based on the GHG Protocol and
ISO14064 standard.

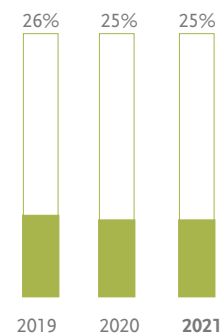
79 climate risks identified
through the Climate Change
Adjustment Strategy in Chile.

SOCIAL

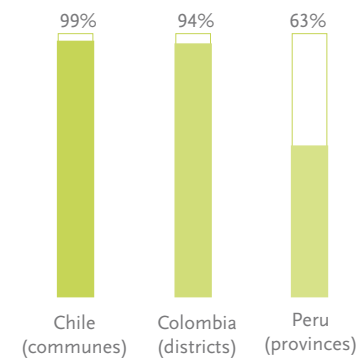
OCCUPATIONAL SAFETY 0 fatalities (own workers)



DIVERSITY IN THE COMPANY 25% women



2021 ENERGY INCLUSION Percentage of the territory served by Lipigas



GOVERNANCE

CLIENTS

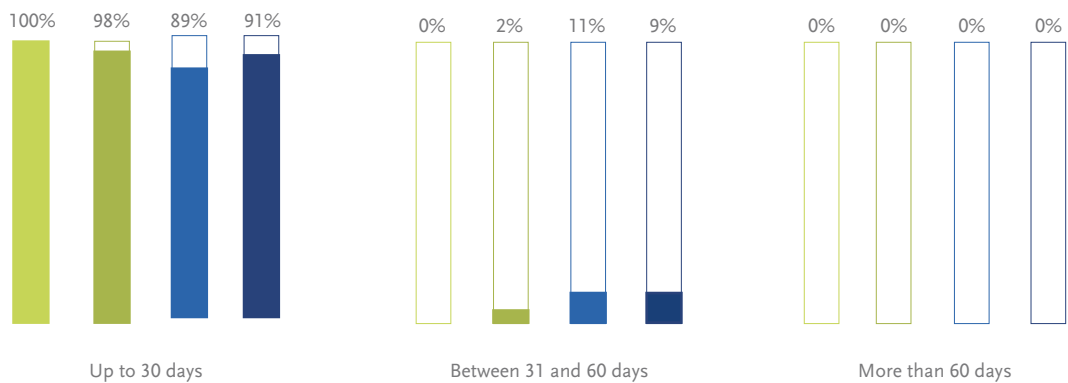
2.8
Claim Rate in
cylinders *
Chile

* Number of claims per thousand orders.

48%
Net Promoter
Score (NPS)
Chile

2021 TIMELY PAYMENT TO SUPPLIERS

Percentage of invoices paid by payment term with respect to total invoices



● CHILE ● COLOMBIA ● PERU LIMAGAS GLP ● PERU LIMAGAS NATURAL

BOARD OF DIRECTORS



Juan Manuel Santa Cruz
Chairman



Jaime García Riosco
Vice Chairman



Mario Vinagre Tagle
Director



José Miguel Barros van
Hovell tot Westerflier
Director



Juan Ignacio Noguera
Briceño
Director



Jaime Santa Cruz Negri
Director



Ignacio Binimelis
Yaconi
Director

OFFICERS



Ángel Mafucci Solimano
General Manager



Osvaldo Rosa Ageitos
Administration and Finance
Corporate Manager



José Miguel Bambach
Salvatore
Legal Manager



Valerie Barnich
Power Business Manager



Morris Pessó Olcese
Business Transformation
Manager



Jorge Avilán Aristizábal
General Manager
Chilco Colombia



Patricio Mura Escobar
General Manager
Lima Gas S.A Peru



Luis Alberto Orlandi Arrate
LPG Manager Chile



Esteban Rodríguez Bravo
Green Hydrogen and
Biofuels Manager



María Josefa Ayarza León
Digital Factory Manager



Pablo Saenz-Laguna Saavedra
General Manager
Limagas Natural Peru



Mylene Iribarne Friedmann
People Manager



Andrés Riquelme Pinto
Operations Manager



Mariela González Palacios
General Manager
Trading de Gas SpA

More information
on Corporate
Governance,
Administration
and Organization
on page 109. [↗](#)

HISTORY AND MAIN MILESTONES 2021

OUR HISTORY

Empresas Lipigas was founded in 1950 in the region of Valparaíso, Chile, as a local LPG distributor, which later joined with three other LPG commercialization companies established in different regions of the country. These four unified companies began a process of sustained growth, achieving in 1997 the largest LPG distribution coverage throughout the country. After positioning itself as one of the leading players in the Chilean market, in 2010 it began an international expansion process, extending its operations to Colombia and Peru.

Although its core business continues to be the sale of LPG, Lipigas also participates in the natural gas and electricity generation markets, offering today a diversified portfolio of products that are part of the broad energy market, including new alternatives of non-conventional origin. This is in line with its strategy of being a multi-energy

commercializing company to efficiently satisfy its different types of customers in the three countries in which it operates.

Additionally, the Company is exploring and venturing into businesses adjacent to energy, taking advantage of its vast experience of more than seven decades in distribution logistics and customer relations.

The following is a summary of the main milestones marking the company's growth trajectory:



1950 Lipigas is founded in the Valparaíso Region.

1959 Codigas is founded in Santiago.

1975 Enagas is created in Bío Bío and Araucanía.

1977 Agrogas is created in the Libertador Bernardo O'Higgins Region.

1985 The Santa Cruz, Yaconi, Noguera, Vinagre and Ardizzoni families complete the process of acquiring the four regional companies.

2000 Group of family owners sells 45% of shares to Repsol. In 2012 Repsol sells its stake to the LV Expansión group.

2004 The unification process of the four original brands under the name of Empresas Lipigas S.A. is completed.

2010 Acquisition of 70% of Chilco in Colombia (the remaining 30% was acquired in 2013).

2013 Acquisition of Lima Gas in Peru.

2014 Acquisition of Lidergas in Colombia.

2015 Facilities for the storage of LPG imported by sea in the Quintero Bay, central Chile begin operating.

Acquisition of NEOgas Peru, currently Limagas Natural.

Issuance of first corporate bond for UF 3,500,000 in Chile.

2016 Empresas Lipigas S.A. begins trading its shares on the Santiago Stock Exchange in Chile.



2016 Rednova S.A.S. E.S.P. is created in Colombia, a subsidiary for the distribution of network gas to the residential sector.

2017 Commencement of network natural gas distribution in Osorno and Puerto Montt (southern Chile) and network expansion in Calama (northern Chile).

Start-up of small-scale DG power plant in Concón, Valparaíso region, for electricity generation based on natural gas.

Lipigas acquires 65% of the ownership of Marquesa GLP SpA, whose business is the development, construction and operation of power generation plants in Chile.



2018 Begins selling power solutions to industrial customers.

Commercialization and distribution of LPG begins in Punta Arenas, in the southernmost tip of Chile.

Lipigas expands its presence in Colombia by acquiring Surgas, a gas distribution company through networks in the departments of Huila, Cauca and Putumayo.

Lipigas begins distribution of liquefied natural gas (LNG) in Peru for large industrial customers.

2019 Project to supply natural gas to transport vehicles in Cusco, Peru, begins.

2020 In January, the Company issues its second corporate bond in Chile for UF 2,500,000, reopening the bond issuance market.



The Company manages to give continuity to its operations in Chile, Colombia and Peru, strengthening its capacity to adapt to the effects of the COVID-19 pandemic.

Acquisition of the operation of Pipegas S.A. in Colombia.



The first natural gas vehicle refueling station is inaugurated in Cusco, Peru, an initiative promoted by the subsidiary Limagas Natural and Consorcio Camisea.





MAIN MILESTONES OF THE FISCAL YEAR

New milestones were added in 2021 that continue to build the Company's history for the future.

LIPIGAS BEGINS OPERATIONS AT FIRST LPG TERMINAL IN NORTHERN CHILE

In April, the Company began operations at its new LPG reception and storage plant at Oxiquim's maritime terminal in Mejillones, Antofagasta region, the first in the industry located in the north of the country. This facility allows it to ensure the continuous supply to industrial, commercial and residential customers in the area.

THE SUBSIDIARY LOGÍSTICA Y DESARROLLOS DIGITALES IS ESTABLISHED

In April, Lipigas establishes in Chile the subsidiary Logística y Desarrollos Digitales SpA, whose business is the distribution, transportation and delivery of goods and products, and the execution of logistics management; the purchase, sale and import, commercialization and distribution of tangible or intangible goods; and the management and implementation of digital businesses.



FIRST LNG REFUELING STATION FOR TRUCKS IS INAUGURATED IN CHILE

In September, Lipigas inaugurates the first liquefied natural gas (LNG) refueling station to supply cargo trucks. Located in Linares, in the Maule region, the facility was developed in alliance with Cervecería AB InBev and Transportes San Gabriel, in order to expand this sustainable alternative for the transportation of other industries.

LIPIGAS ENTERS THE DISTRIBUTED SOLAR GENERATION BUSINESS

In September, the company acquired 80% ownership of Four Trees, dedicated to distributed solar generation, with which it seeks to strengthen its power business in a sustainable way. The company owns 19

photovoltaic solar plants (self-generation plants) that supply industrial and commercial customers located between the regions of Coquimbo and Ñuble, in central Chile.



LIMAGAS NATURAL INAUGURATES FIRST REGASIFICATION PLANT IN THE PERUVIAN JUNGLE

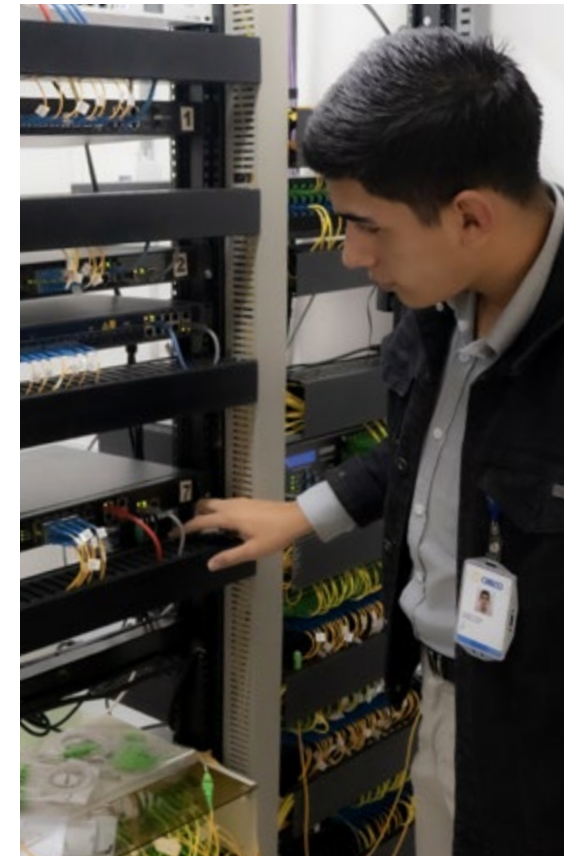
In September, the subsidiary Limagas Natural inaugurated the first LNG regasification plant in the province of Rioja, San Martín region, in northeastern Peru. The unit was built at the facilities of Cerámicos DETT, a manufacturer of industrialized bricks, making it the first industry in the northern jungle of the country to use natural gas for its production.

LIPIGAS ENTERS THE INTERNET BUSINESS IN COLOMBIA

With the creation of the subsidiary Chilco Net S.A.S. in November, the Company announces its entry into the commercialization of high-speed internet service in small and intermediate cities in the interior of Colombia as a complementary product to the provision of network gas.

LIPIGAS SIGNS AGREEMENT WITH U.S. COMPANIES TO DEVELOP CARBON NEUTRAL GAS

In December, Lipigas announced the completion of an agreement with Suburban Propane Partners, the third largest retail distributor of propane in the United States, and Oberon Fuels, the only commercial producer of renewable dimethyl ether (rDME)



worldwide, to evaluate and test a blend of rDME and LPG for use in residential and commercial applications in Latin America. This alliance is in line with Lipigas' goal of becoming a carbon neutral company.

2021 AWARDS AND RECOGNITIONS

CHILE

Ranking Most Innovative Companies 2021

First place in the gas distribution sector in this ranking prepared by ESE Business School Chile, MIC Innovation and El Mercurio, which distinguishes the most innovative companies in Chile.

Great Place to Work 2021

Empresas Lipigas obtained the eighth place in the category 251 to 1,000 workers, in this study that distinguishes the best companies to work for in Chile.

PXI- Praxis Experience Index 2021

First Place in the Gas Cylinder sector and First Place in the national ranking of experience PXI- Praxis Experience Index 2021, prepared by Praxis Human Xperience, which in this edition considered 126 brands from 30 sectors, with a sample of more than 45,000 surveys. A recognition in a year marked by the pandemic and which renews Lipigas' commitment to be close to families, businesses and places that require it.

Ranking Best Payers

Empresas Lipigas was recognized for its commitment to SMEs, standing out as the best payers in the energy sector in this ranking prepared by the Bolsa de Productos, together with the Asociación de Emprendedores de Chile (Asech-Chilean Association of Entrepreneurs).

IPG Parity Seal 2021- 2022

The Company received this recognition, awarded by the Gender Parity Initiative (GPI), for its vision of a future where men and women can develop at work and professionally on equal terms.



CHILE / COLOMBIA

Great Place to Work Certification

Empresas Lipigas was certified as a great place to work in Chile and Colombia. This new category established by Great Place to Work⁶ is awarded to those who obtain more than 69.5 points in the Trust Index survey (Lipigas in Chile obtained 89%; and in Colombia 87%). Starting this year, it will be a requirement to be part of the list of the best companies to work for in the respective countries where it is applied.

PERU

Recognition for people management practices

The Asociación de Buenos Empleadores (ABE-Good Employers Association), of the American Chamber of Commerce of Peru, recognized Limagas GLP for its good practices in human resources. The recognition seeks to highlight the most notable contributions in terms of respect for workers, impact on both the company and society, and internal scope.

⁶ <https://www.greatplacetowork.cl/>

Chapter 2

SUSTAINABILITY FRAMEWORK

The company's Sustainability Purpose and Principles are the direction and navigation route, respectively.





SUSTAINABILITY PRINCIPLES

In a process in which different levels of the Company participated and in accordance with the new challenges of the environment, Empresas Lipigas renewed in 2020 its purpose and principles of sustainability, aiming to strengthen its support and positive impact to contribute to transition to a Net Zero society in its role as an energy company. In 2021 it deepened its application and placed the purpose and principles at the center of the energy that mobilizes it.



Watch video
(spanish)

SUSTAINABILITY PRINCIPLES

SDGs we contribute to



We contribute to the energy development of the communities in which we operate

DECONTAMINATION: Contribute to the decontamination of the air in cities, as well as in homes, through the use of energies with lower emissions.

GENERATE ENERGY SOLUTIONS FOR THE FUTURE: Develop and deliver solutions tailored to the needs of people and communities that support the move towards a lower carbon economy.



We build reliability and closeness with our customers and the environment

CUSTOMER VALUE PROPOSITION: Continuously improve the customer experience through proximity, making life easier for the customer. Guarantee the reliability of the service and solutions offered.

INCLUSIVE ENERGY ACCESS: Facilitate access to efficient and low-polluting energy alternatives for all sectors of the community and geographically remote areas.

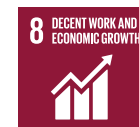
BE A GOOD NEIGHBOR: Build a harmonic relationship with the neighboring communities of our operations, preventing and taking care of the negative operational impacts that could affect them.



We operate in a safe and responsible manner

SAFETY AND OPERATIONAL EXCELLENCE: Preserve safety and excellence in internal processes to prevent incidents that could affect people (employees, contractors, distributors, customers and community members), facilities or operational processes.

MINIMIZE ENVIRONMENTAL IMPACTS: Manage environmental impacts resulting from operations such as emissions, water use, network construction, noise, port unloading and waste, among others.





We offer quality employment

ATTRACTIVE AND DIGNIFIED WORKING CONDITIONS FOR OUR EMPLOYEES: To manage quality working conditions that contribute to the well-being, health, development and balance with personal life, under a climate of harmony and respect for diversity.

ACTIVE COLLABORATORS: To have a network of committed, proactive collaborators who contribute permanently to the purpose of our company.

DIGNIFIED EMPLOYMENT OF CONTRACTORS: To preserve the quality of the working conditions of the network of external collaborators, ensuring respectful and responsible treatment of them and contributing to their development.

BUILDING TRUST: Ensure that relations with employees and their representatives are transparent, respectful, fair and based on dialogue and permanent listening.

EMPLOYMENT WITH PURPOSE: Promote the construction of meaningful employment throughout the entire network of collaborators.



We develop a sustainable, adaptive, and ethically integral business

PERMANENT DEVELOPMENT OF THE COMPANY: To ensure the existence and growth of Empresas Lipigas in the short, medium and long term, being alert to the multiple challenges that arise and creatively adapting its activities to safeguard the sustainability of the company, its employees and shareholders.

CORPORATE GOVERNANCE: To ensure the efficient, ethical and responsible development of the business, preserving the creation of value for the company and the environment.

INTEGRITY AND COMPLIANCE: To ensure that all members of the company act responsibly in accordance with corporate values and ethical culture.

ADJUSTMENT TO CLIMATE CHANGE: To reduce the risks of the company's operations with regard to climate change. Develop new business opportunities that provide solutions to the environmental situation.



SUSTAINABILITY GOVERNANCE

Role of the Board of Directors

The Board of Directors is responsible for the strategic direction of the Company, including environmental, social and governance (ESG) matters, approving policies and overseeing its performance in these matters. It also ensures that Empresas Lipigas always acts in the best interest of all shareholders and takes into account the requirements of its stakeholders.

The Board of Directors monitors sustainability programs and provides recommendations to senior management to ensure that ethical, economic, environmental and social factors are considered in its decisions. The Board of Directors has delegated the management and administration of the Company to the General Manager, who is in charge of all company operations and to whom the different business and support units report.

More information on corporate governance can be found on pages 73 [↗](#) and 109. [↗](#)

Sustainability Committee

Since 2020, there has been a Sustainability Committee at the executive level whose responsibility is to integrate these principles into the Company's decisions and daily work, engage the entire organization and ensure that there are

instances and mechanisms for its proper direction and monitoring.

This committee, which meets on a monthly basis, is the strategic and executive body that acts as the source of energy that drives the changes and mobilizes the organization, which inspires and socializes the commitment to sustainability. Through this body, the company integrates the different views and experiences to evaluate changes in the environment and its challenges. It also designs appropriate responses and monitors sustainability management. It is the body that nurtures senior management in environmental, social and corporate governance matters.

It is chaired by the General Manager and is made up of managers in Chile from the different business areas, as well as the general managers of the subsidiaries in Colombia and Peru, plus two executives from the Management Control and Corporate Affairs and Communications areas. In the case of the Chilean operation, for each of the five principles, a manager was defined to act as leader. In the case of Peru and Colombia, the general managers of the subsidiaries are the leaders of the five principles.



SUSTAINABILITY GOVERNANCE

THE CHALLENGES AND THE ROLE OF THE SUSTAINABILITY COMMITTEE

The challenges to integrate the Sustainability Principles into the DNA of Empresas Lipigas



ENGAGING THE ORGANIZATION



PRIORITIZE, DEFINE FOCUSES AND THE NAVIGATION ROUTE



ALIGN INCENTIVES



PLAN FOR THE FUTURE AND PREPARE THE ORGANIZATION

The role of the Sustainability Committee

- Lead and socialize the commitment of Empresas Lipigas with environmental, social and governance (ESG) aspects.
- Keeping the commitment of employees alive through milestones and initiatives, among others.
- Define the navigation route to move forward in the integration of sustainability into the corporate strategy.
- Define priorities for the short and medium term and establish action plans and associated KPIs.
- Monitor the progress of the priorities and defined route.
- Gradually incorporate sustainability KPIs into corporate management control and reporting to the Board of Directors.
- Align incentives to the spirit of the Sustainability Principles.
- Generate and coordinate instances of discussion on changes in the environment and sustainability challenges for the company.
- Train and keep the organization updated on these matters.
- Propose and define standards, policies and processes.

Main progress in 2021

- The new Purpose, Values and Principles were disseminated internally through different communication tools.
- The 2020 Sustainability Report was socialized.
- The navigation route was implemented for each Sustainability Principle: challenges, priorities, objectives, short and medium-term plans and associated KPIs.
- The company's response strategy to climate change was analyzed and defined.
- The most relevant topics to be reported in the 2021 Integrated Annual Report were defined.
- Completed the construction of the Dashboard with the KPIs associated with the Sustainability Principles.

The following was analyzed:

- . The impact of climate change on the company's business and progress was made in the first mapping of physical and transition risks.
- . The new ESG requirements of the capital market.
- . Consumer trends and changes.
- . New energies for the advancement of society towards Net Zero.
- . The result of the study to the company's stakeholders.



Chapter 3

ENVIRONMENT

The main positive environmental impact of Empresas Lipigas is its contribution to a sustainable and efficient energy transition. To this end, it offers integral **energy solutions, based on environmentally friendly energies, ranging from LPG to solar energy**. Along with this, it makes efforts to reduce its own carbon footprint and implements actions that allow it to adapt to the effects of climate change in its operations, as well as to reduce its impact on the environment.

Sustainability principles we address in the chapter:



We contribute to the energy development of the communities in which we operate



We operate in a safe and responsible manner



We develop a sustainable, adaptive, and ethically integral business

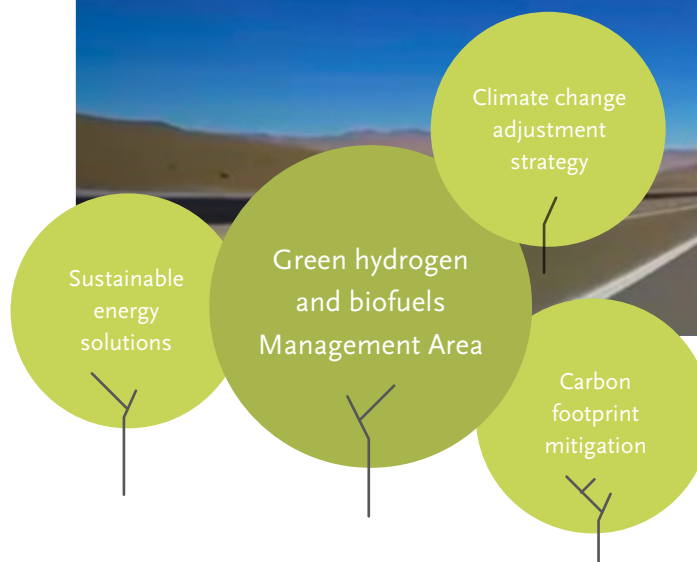


CLIMATE CHANGE RESPONSE STRATEGY

ENERGY SOLUTIONS FOR A NET ZERO SOCIETY

The context of COP 26 and the hydrogen agenda in Chile are generating a favorable environment in defining the role of the private sector in the processes of decarbonization and innovation, which has resulted in an acceleration by companies to have concrete plans for decarbonization of their operations and products. Chile has also established itself as the country that will achieve the most competitive green hydrogen in the world and, therefore, will be key in decarbonization, where electricity will no longer be the only way to achieve this goal. Along with this, the global LPG industry has begun to mobilize towards the search and development of renewable products with low CO₂ emissions, as is the case of the use of Bio-LPG or Bio-propane to decarbonize LPG, initiating an important development trend.

Empresas Lipigas has designed a Climate Change Strategy that addresses three axes. The first is to **provide sustainable energy solutions to collaborate with the transition to less carbon-emitting energies in Chile, Colombia and Peru.** A second aspect has been to address the reduction of its own carbon footprint and, ultimately, to develop a climate change adjustment strategy based on physical and transition risks.



This environment has not only triggered an impulse for companies to have decarbonization plans, but it has also been observed that investors are refocusing on projects that move towards a Net Zero society. Therefore, today organizations expect energy companies such as Empresas Lipigas to propose innovative projects that contribute to the reduction of their carbon footprint.

TOWARDS CARBON NEUTRALITY

Although since its inception, the main business of Empresas Lipigas has been the distribution of LPG, with a strong residential focus, in 2004 it began a path of no return by using LPG for the first time in boat engines of the salmon industry, replacing more polluting liquid fuels and avoiding spills into marine waters. This marked the beginning of the offer of more energy-efficient and environmentally



less polluting solutions than the traditional ones, which use liquid and solid fuels such as coal and firewood in commercial, industrial and transportation applications. Since then, it has not stopped innovating, providing butane LPG for industrial use, LPG for light vehicles, LNG for road trucks, and even participating in the electricity business.

Empresas Lipigas has not stopped innovating, providing butane LPG for industrial use, LPG for light vehicles, LNG for road trucks, and even participating in the electricity business.

Currently, the company's challenge is to provide comprehensive energy solutions; improve the experience of gas use through new business models that guarantee better access for communities and companies; commercialize all types of energy, including low greenhouse gas emission fuels; and generate solutions to reduce particulate matter emissions and the carbon footprint of industrial customers and cargo vehicles. It also seeks to generate digital business lines adjacent to gas, leveraging the company's logistics experience. So much so, that it is expected that by 2030, 25% of the company's business will not be related to LPG.



Additionally, a new structure was created to support these sustainable energy projects as of January 2022, within the framework of its growth strategy and seeking to move towards carbon neutrality: this is the Green Hydrogen and Biofuels Management Area. Its objective is to design the path towards the Company's future, seeking product alternatives that allow its customers to continue with their production processes, through renewable and low-emission gaseous fuel alternatives, with a focus on reaching a carbon neutral product at a competitive price.

Chilco in Colombia, through its subsidiary Surgas, joined the "Alliance of the Natural Gas Sector:

Road to Carbon Neutrality", which seeks to consolidate and strengthen the implementation of actions and good practices to contribute to the country's commitments on this issue.

The challenge is to provide comprehensive energy solutions; improve the gas usage experience through new business models; commercialize all types of energy; and generate solutions to reduce particulate matter emissions and the carbon footprint of industrial customers and cargo vehicles.

BIOFUELS: RENEWABLE FUELS

To incorporate energy alternatives and even cleaner products (compared to LPG), in November 2021, an agreement was signed with Oberon Fuels, the only commercial producer of renewable dimethyl ether gas (rDME) worldwide, and Suburban Propane, the third largest retail distributor of propane in the United States. The objective is to initiate operational tests in domestic and commercial

applications of carbon-neutral gas that can be produced from a blend of LPG and rDME. The first two shipments arrived in Chile in January 2022, with testing beginning in February at the Concón and Talcahuano plants.

Since rDME can be obtained from organic waste such as garbage, cow manure or biomass, as well as synthetically from green hydrogen, the initiative promotes the circularity of agricultural waste. In this context, the H2V and Biofuels Management Area is already in discussions

with Chilean companies producing beef, chicken and pork, to partner or buy the waste generated by the animals. From there, a biogas can be extracted which, treated with the technology of the new U.S. partners, would generate renewable dimethyl ether (rDME), to be combined with the propane that Lipigas markets in its current gas cylinders.

The blend or mixture of LPG with rDME would allow the use of the same infrastructure and appliances used by customers today, without conversions or extra costs. It is an economically viable, renewable and low-emission option.



GREEN HYDROGEN

In 2021 Empresas Lipigas participated in an initiative led by the consulting firm McKinsey⁷, whose objective was to accelerate the development of the market for green hydrogen and synthetic fuels such as gasoline, ammonia or synthetic LPG (synthetic propane), with the participation of private sector companies in Chile. The study aimed to build a perspective on Chile's cost competitiveness and market potential in P2X⁸ and identify best practices in order to define options for hydrogen industry enablers.

In addition, Empresas Lipigas signed research and exploration of potential business agreements with companies that are evaluating the construction of green hydrogen production plants, which could serve as raw material to be blended with natural gas in residential networks. The initial objective is to commercialize this solution mainly in the north of Chile, in the natural gas networks that the Company owns in the Antofagasta Region, to sell a blend of natural gas with green hydrogen, generating a cleaner fuel. In this sense, Lipigas expects to become an *offtaker* or buyer of green hydrogen or its derivatives from the new projects that will be installed in the country, to make them available to its end customers.

The construction of projects that will produce green H₂ in Chile to generate synthetic fuels will open opportunities to continue using the current infrastructure to commercialize synthetic fuels, such as dimethyl ether (DME) or synthetic LPG, which are identical to fossil fuels, but have the advantage of being carbon neutral.

⁷ <https://www.mckinsey.com>

⁸ P2X: Refers to the transformation of electricity into the following gases or liquids: Hydrogen, Ammonia, Methanol, Synfuel (Gasoline, Diesel or Jet Fuel).



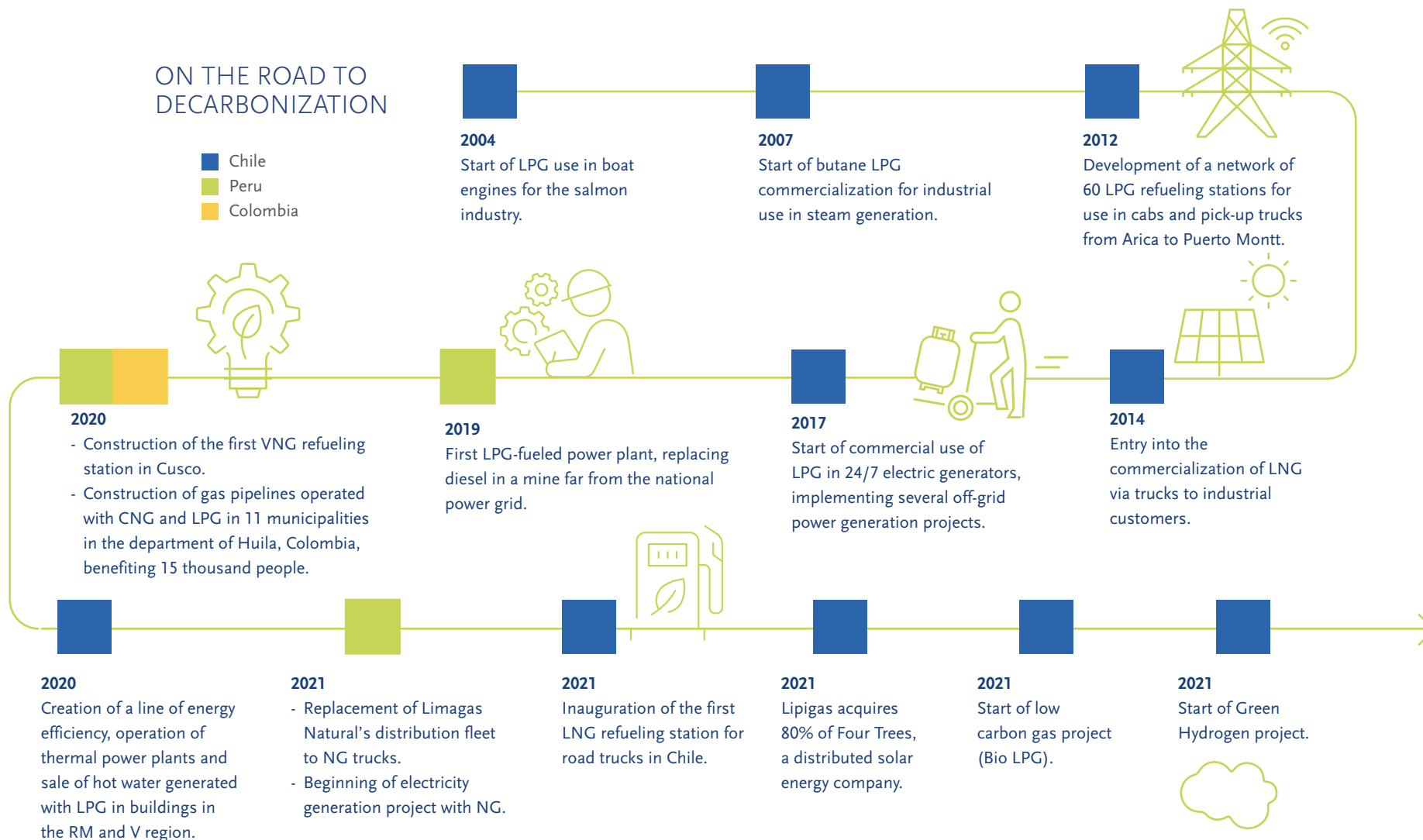
SOLAR ENERGY

As part of its strategy to strengthen its electricity business in a sustainable manner by incorporating an alternative that is 100% renewable, Empresas Lipigas purchased - for US\$3.3 million - 80% of the shares of Four Trees Energía Distribuida SpA, a company dedicated to distributed solar generation. The company owns 19 solar photovoltaic plants with a total capacity of 3.6 MW that supply industrial and commercial customers in the regions of Coquimbo and Ñuble. The company's customers will not only be able to save up to 15% on electricity costs but will also be able to obtain certain traceability of the source of the energy they use.

These plants will join the generation plant located in the Valparaíso Region, which delivers 6MW to Chile's National Electric System-SEN and has been selling electricity to free commercial and industrial customers amounting to 150 GWh per year since 2017.

ON THE ROAD TO DECARBONIZATION

■ Chile
■ Peru
■ Colombia



OTHER LOWER ENERGY SUBSTITUTION INITIATIVES 2021

During 2021 Lipigas continued working to deliver efficient low carbon energy solutions to its customers. Some of the most important projects of the period were the following:



CHILE

- Project for the elimination of 100% of coal in the production processes of a pisco producing company through the implementation of an efficient steam system using LPG. This project allowed a reduction of 5,687 tons CO₂e per year, equivalent to the emissions of 1,789 cars.
- Inauguration of the first LPG refueling station in Chile for 35 long-distance road trucks in the commune of Linares. This will reduce more than 800 tons of CO₂ per year and more than 90% of particulate matter compared to the use of diesel.
- Substitution of diesel for LPG in the following processes:
 - ENAEX, IV Region plant. Reduction of 215 tons of CO₂e, equivalent to the emissions of 68 cars.
 - Drying process at SQM's potassium plants, Second Region. Potential reduction of 3,782 tons CO₂e per year, equivalent to 1,189 cars.
- Development of LNG supply project for the production of hydrogen peroxides in the Eighth Region. This is an innovative project where LNG is used for the first time as a raw material and not as fuel.

It will allow local production instead of importing the product from Brazil by sea, thus reducing the carbon footprint of the distribution chain.

- Beginning of LNG commercialization in the mining industry and in the northern part of the country, where it will replace Fuel Oil 6, which is expected to reduce the carbon footprint of its processes by up to 25%.
- In 2021, nine substitution initiatives were developed, equivalent to more than 6,600 tons CO₂e and removing 2,253 cars from circulation.

PERU

- 20 projects to replace diesel and heavy crude oil with LPG in power generation, mining, agricultural and hotel projects.

- Replacement of 100% of the natural gas distribution fleet in Lima to trucks powered by NG, achieving economic and environmental benefits. The next step is to replicate the project for routes in the north and south, both in the distribution of natural gas and LPG.

- Start of operation of the LNG project in Cusco with three facilities (one industrial and two vehicular).

- Start of the electricity generation project at the Decameron Tumbes hotel in northern Peru with NG, a 2 MW electricity generation project that replaces diesel.

COLOMBIA

- The massification of household gas through networks continued, reaching eight new municipalities, benefiting 9,000 families who stopped using firewood for cooking and heating.



REDUCTION OF VEHICLE EMISSION IN COLOMBIA

In 2021, measures were implemented to reduce CO₂ emissions from Chilco's own transportation fleet. The initiatives include:

Publication of the Fleet Renewal Policy, guaranteeing the replacement of vehicles that generate the most CO₂.

Weekly monitoring of the fuel consumption of each vehicle, guaranteeing the expected performance.

Monthly inspections in partner repair shops, seeking to have safe vehicles in excellent mechanical condition.

Implementation of software, maintaining CLOUDFLEET, for greater cycle control of preventive maintenance routines. This guarantees a fleet in optimal condition and reduces CO₂ emissions.

Implementation and daily follow-up of the daily pre-operational *check list* prepared by each driver, for a safe distribution and excellent mechanical condition of the fleet.

Increased transportation efficiency, selling more with fewer vehicles in circulation.



Replacement of the distribution fleet in Peru

In 2021, the 10 new trucks in Limagas Natural's distribution fleet in Peru, powered by compressed natural gas (CNG), began operating and together they travel close to 2 million kilometers per year. These replace the previous diesel-powered trucks, and it is estimated that they will reduce the company's carbon footprint by 18%. The next step is to replicate the project for the routes in the north and south, both in the distribution of natural gas and LPG.



Mitigation strategies address the causes of climate change and **reduce greenhouse gas emissions** into the atmosphere.

Adaptation strategies aim to **limit the impacts of human and natural systems, reduce their vulnerabilities and increase their resilience to climate change.**

CARBON FOOTPRINT MEASUREMENT

Lipigas is committed to protecting the environment by preventing the impacts that its activities may cause, as well as mitigating them if necessary. In terms of emissions, internal operations do not directly generate large amounts of CO₂ or particulate matter and, additionally, its products contribute to the decarbonization of the energy matrix by substituting more polluting traditional fuels, such as liquids and solids, thus supporting the national decontamination goals associated with the Nationally Determined Contributions established under the Paris Agreement.

Although Lipigas has been measuring its carbon footprint since 2010, the main challenges for 2021 consisted of structuring the quantification of its greenhouse gas (GHG) emissions to the atmosphere, based on internationally recognized standards such as the GHG Protocol and ISO 14064-1:2018, in order to perform a comparable annual measurement. Lipigas has the ambitious goal of being carbon neutral in its operation (scopes 1 and 2) by 2040 and having a carbon neutral product portfolio for its customers by 2050, in line with the commitments made by Chile at COP26.

In this context, Empresas Lipigas carried out the corporate measurement of its carbon footprint in Chile for 2021. This considers the results of the quantification of GHG emissions throughout the value chain, i.e., from the extraction and refining of raw materials to the consumption of the product by the end customer.

Lipigas has the ambitious goal of being carbon neutral in its operation by 2040 and having a carbon neutral product portfolio for its customers by 2050.



Empresas Lipigas Chile 2021 Carbon Footprint

Emission source categories	Emissions			Product		
	Amount	Unit	%	LPG	LNG	NG
Scope 1	28,882.1	t CO ₂ e	7.8%	28,248.6	607.3	26.2
Scope 2	2,828.1	t CO ₂ e	0.8%	2,570.3	232.8	25.0
Scope 3	1,897,996.4	t CO ₂ e	91.5%	1,752,611.8	132,784.6	12,599.9
Total	1,929,706.6	t CO₂e	100%	1,783,430.7	133,624.7	12,651.1

In 2021, more than 20 meetings were also held with management and areas involved in the carbon footprint, i.e., those areas whose operations emit greenhouse gases directly or indirectly in the Company. The objective was to share progress on the carbon footprint and present the new information gathering system. The next steps are aimed at raising awareness on mitigating GHG emissions, where the different emission reduction strategies will be discussed.

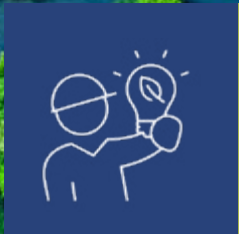
LESSONS LEARNED AND NEXT STEPS

An important part of the lessons learned in 2021 was the complete understanding of the value chain in the estimation of the Company's emissions and, thanks to this, the questioning of the technologies used and products sold. The focus for the coming years will be on the processes controlled by the Company and on the search for strategies to reduce indirect emissions produced by the rest of the value chain.



“We realized that in order to **set carbon neutrality goals, it was a priority** not only to measure the footprint, which we have been doing for ten years, but it was also essential to establish what and how to measure it, with the same internationally recognized methodology”.

Jaime Izquierdo Monsalve,
Plant Engineering and Maintenance
Deputy Manager.



ENERGY EFFICIENCY

At the end of 2020, a project was started to implement an external software (Clickie) in order to measure the energy consumption of all Empresas Lipigas plants in Chile, since they are the facilities that consume the most energy within the Company. This task allowed that in 2021 it was possible to start the process of analyzing the information with the objective of reducing this consumption through changes in operational behavior or engineering measures. Thus, during the period, improvement and efficiency measures have been taken to reduce compressed air leaks, as well as to optimize the use of peak hours in line start-up and shutdown.

This has led to a 7.5% reduction in energy consumption at the 11 plants compared to 2020, which is equivalent to planting 37,689 trees. The next steps will be to reinforce energy-saving behavioral habits.



ADAPTATION TO CLIMATE CHANGE EFFECTS

According to the Intergovernmental Panel on Climate Change (IPCC), adaptation to climate change means taking measures to prepare for and adapt to both the current effects of climate change and expected future impacts. Since the end of 2020, the Company has been working on the development of an Adaptation Strategy to ensure its customers, employees and collaborators migrate towards a more sustainable future, improving its climate resilience through the assessment of physical and transition risks throughout its production chain.





During the first half of 2021, the Matrix of Physical and Transition Risks and Impacts of Climate Change that could affect Lipigas was developed. This allowed us to evaluate and quantify the effects that these risks could have and for this purpose, the entire value chain was considered, i. e., from the supply of LPG to the sale to the end customer. In accordance with the methodology of the IPCC Fifth Report and the Task Force on Climate - Related Financial Disclosure (TCFD), a total of 79 risks were identified. Of these, 57 are related to physical risks, as a result of climate change, and 22 to transition risks.

Based on the identification of risks, an Adaptation Strategy was established with the aim of improving the company's climate resilience. To this end, three specific objectives were established that brought together five lines of action: institutional strengthening, assurance of LPG supply, planning for climate events, progress towards carbon neutrality and promotion of innovation, as shown in the following figure:

OBJECTIVES AND LINES OF ACTION
OF THE CLIMATE CHANGE
ADAPTATION STRATEGY

1.

Strengthen

Organizational climate risk
management to improve
climate resilience

Line of Action N°1:

Institutional Strengthening



3.

Adapt

Adapting Lipigas' market to
a low-carbon economy

Line of Action N°4:

Progress towards carbon neutrality

Line of Action N°5:

Promoting Innovation

2.

Improve

Resilience to physical climate risks

Line of Action N°2:

Assurance of LPG supply

Line of Action N°3:

Planning for climate events



PREVENTION OF ENVIRONMENTAL IMPACTS

One of the sustainability principles of Empresas Lipigas is to operate in a safe and responsible manner, which includes minimizing its impact on the environment. To this end, in 2009 it began a process of managing its environmental aspects and impacts through the implementation of the ISO14.001-2015 standard. During this time, the company has been responsible for addressing its environmental impacts, complying with environmental regulations (which have increased significantly in recent years) and implementing actions aimed at continuous improvement. Although three plants are currently certified under ISO14.001-2015 (Antofagasta, Coquimbo and Concón), the scope of environmental management extends to the rest of the plants. In addition, as part of the ISO45001-2018 certification process at the Chilean bottling plants, the Safety, Environment and Quality policies were integrated, leaving only one at the corporate level.

In Colombia, a professional dedicated to the planning and implementation of the Environmental Management System was added to the HSEQ structure, which seeks to anticipate and prevent environmental impacts generated by the provision of services, the efficient use of resources and the proper management of waste. In 2022, actions will be developed to comply with the Environmental Management System and indicators will be implemented to provide information on the consumption of energy, water and paper, as well as the characterization of the waste generated in order to specify strategies that allow the service to be provided in an efficient and environmentally responsible manner. The foregoing with the aim of achieving certification under the ISO14001:2015 standard.

The last phase consists of developing the Climate Change Adaptation Roadmap, a tool that allows the construction of a shared vision of the future, aligning the company's resources with its vision, objectives and technology for the development of its sector. This strategy is proposed within a time frame of 20 years, providing a structure, order, integration, governance and methods related

to the measures proposed and prioritized in the Adaptation Strategy. For Lipigas, this Roadmap will provide a dynamic planning in the short, medium and long term that will evolve with the reality of the sector, achieving an efficient management of adaptation to climate change.

WATER MANAGEMENT

Water consumption in the production process of Lipigas is not significant, but because there is a minimal impact, mainly in the use of water for washing cylinders, irrigation and dust mitigation in some operations, the Company manages it regularly and took a step further in its commitment by initiating the process of measuring the water footprint. Its purpose is to measure consumption in a standardized manner, reduce it and generate instances for reuse.

WATER FOOTPRINT

In 2021, work was done on the flow diagrams of each facility, identifying the critical points where the quantity and/or quality of water should be measured. This analysis was carried out for the 11 storage and bottling plants and for the three collection centers: Calama, Baquedano and Rancagua.

Subsequently, flow meters were incorporated at the Concón plant as a pilot project. Instruments were installed at the critical points previously identified to estimate the blue and grey water footprint (see chart). Based on the results obtained in this initial process, it is expected to move on to other facilities, giving priority to those with the highest consumption of drinking water.

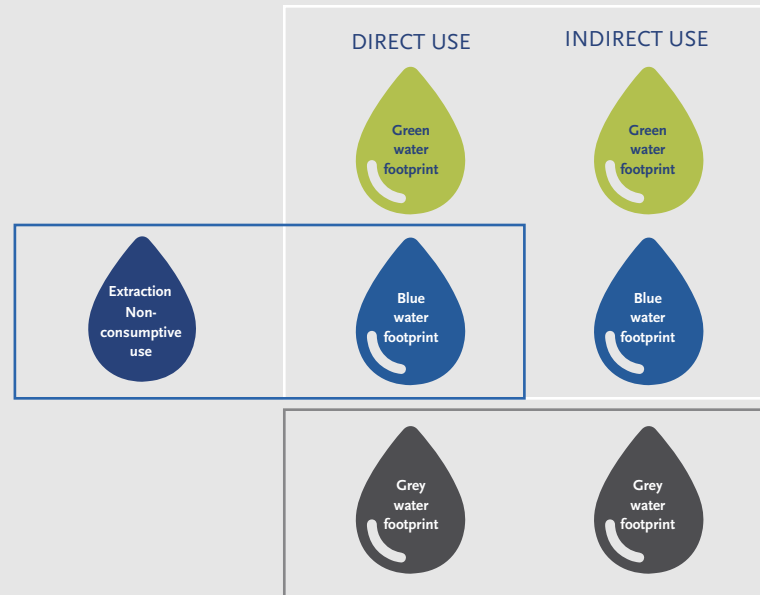
Thanks to this initiative, which uses the methodology of the Water Footprint Assessment Manual (Hoekstra et al. 2011) and the ISO14046 standard, it will be possible to know Lipigas' operational water footprint.

Components of the water footprint

The blue water footprint refers to the consumptive use of freshwater (input minus output).

The grey water footprint refers to the volume of fresh water required to assimilate

the pollutant load at the outlets. In the case of Lipigas, the pollutant will be measured with respect to the concentration of oils and greases contained in effluents.



WATER MANAGEMENT

In 2021, a system was implemented to reduce evaporation in the fire protection network pools at five facilities: Iquique, Calama, Antofagasta, Baquedano and Maipú. The project, which seeks to reduce water consumption in operations, consisted of installing a floating covering made of black spheres (Barrier ball) that cover 91% of the pool surface. This barrier reduces about 80% of evaporation and algae growth, prevents birds from entering the pools, and mitigates odors. This initiative is expected to significantly reduce the amount of water recharged in the pools, considering that the facilities affected are those with the greatest problems of access to drinking water.

To date, the facilities that already have this barrier or floating cover system are Iquique, Calama and Maipú. At the beginning of 2022 they will be operational at the other two plants.

WASTE MANAGEMENT

As most of the materials used by Empresas Lipigas in its operations are recyclable or can be reused, the opportunities for improvement are limited.

In the case of cylinders and bulk tanks, which can have a useful life of more than 30 years, the Company considers a review,

maintenance and recertification plan every ten years, complying with the regulations in force in each country where it operates. In this context, once they have completed their useful life, they are dismantled, the steel is recycled and the bronze from the valves is recovered and sold for reuse, maintaining a waste circularity cycle.

As part of the continuous process of complying with environmental regulations, in 2021 we updated our non-hazardous waste management standards, building warehouses that improve their management.



Chapter 4

SOCIAL

Empresas Lipigas strives for its workers and contractors to be part of a culture that promotes their development and identity, in a work environment of trust, diversity and inclusion, that respects human rights, cares for the health and safety of all individuals and provides permanent opportunities for personal and professional growth.

Likewise, the social role of Lipigas is reflected in several initiatives aimed at energy inclusion, providing an alternative to substitute inferior energies, such as firewood, through LPG, contributing to the quality of life and health care of the communities.

Sustainability principles addressed in the chapter:



We offer quality employment



We contribute to the energy development of the communities in which we operate



We operate in a safe and responsible manner

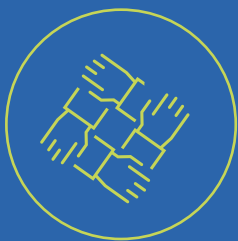


We build reliability and closeness with our customers and the environment





QUALITY EMPLOYMENT



HUMAN CAPITAL DEVELOPMENT, WELL- BEING AND ENGAGEMENT

The value proposition of Empresas Lipigas to its employees begins with respect for diversity and the promotion of inclusion and gender equality in the recruitment and selection processes. It continues with a job offer that balances professional and family life, while managing

and promoting internal talent to motivate and build a culture based on meritocracy, diversity and the search for a shared purpose, which is generated through a strong organizational culture. Additionally, it promotes the development of new skills and the permanent updating of those who work in the entire production chain, given that the industry in which it operates demands specialized and highly professional workers, who are a fundamental pillar in the Client's Value Proposition.

Still in the midst of a pandemic, the year 2021 was crucial for promoting the balance between quality of life and professional effectiveness, as well as for enhancing work practices and successful collaboration, even at a distance.

ACKNOWLEDGEMENTS



Eighth place Great Place to Work ranking, in the category 251 to 1,000 workers.



Tenth place in Best Places to Work LATAM, entering the list of this recognition in the Large Companies category.



Seventh place among Best Companies to Work for Women, Chile, in the first Great Place to Work list, in the category 251 to 1,000 workers.



28th place among the Best Companies for Internships, in the ranking prepared by First Job among 80 companies that participated in the Internship Day 2021.



Recognition for people management practices, awarded by the Asociación de Buenos Empleadores (ABE- Good Employers Association) of the American Chamber of Commerce of Peru, which recognized Limagas GLP for its good human resources practices.

POST-PANDEMIC DEVELOPMENTS

In Chile and Colombia, a new work organization model was defined, considering telework as part of the normal reality as of 2021. In Chile, specifically, the Telework Policy was implemented, which included three trainings conducted in partnership with the Risk Prevention and Environment team, in which 386 individuals took part.

As part of the Wellness Policy of Chilco (Colombia) and its companies, this new system was incorporated into the “Wellness Plan”, which considers working from home, in which employees can choose to alternate between their residence and the workplace (exclusively for the main administrative office). In 2022, some adjustments will be made to the main office, including the redistribution of areas to provide larger and more adequate spaces.

EMPLOYMENT AT EMPRESAS LIPIGAS 2021

Staff (2,280 collaborators)	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Managers	15	10	7	3
Deputy Managers	25	0	0	1
Headships	111	85	21	3
Professional, administrative, workers	756	936	244	63
TOTAL	907	1,031	272	70

Formality and labor adaptability (Number of collaborators)	Chile		Colombia		Peru			
					Limagas GLP		Limagas Natural	
	Men	Women	Men	Women	Men	Women	Men	Women
Formality (by type of contract)								
Indefinite term	611	282	716	200	95	36	53	6
Fixed term	11	3	14	4	116	25	10	1
By work or work site	n/a	n/a	86	11	0	0	0	0
Labor adaptability								
With regular working hours	622	283	704	313	211	61	63	7
With part-time working hours	0	2	6	8	0	0	0	0
With adaptability agreement for workers with family responsibilities	0	0	0	0	0	0	0	0
People in teleworking mode	155	186	61	80	85	46	5	4

n/a: not applicable

HUMAN CAPITAL DEVELOPMENT

During 2021, we continued to promote a culture of agility, innovation and customer focus in Chile, which allows the business to adapt to the increasingly demanding and changing market conditions. To the implementation of 177 innovation initiatives in 2020, another 65 were added during 2021, with more than 100 collaborators from all areas involved in their development. The Personnel Competencies Model, as well as the Performance Management and Recognition systems, were adapted to the new cultural vectors. In addition, the progress of this transformation continued to be monitored through “Pulse” surveys, obtaining an average of 5.8 (score from 1 to 7, with 7 being the highest perception of change) in the last one, in September 2021.

Also, Limagas Peru implemented a cultural transformation plan called TUKUY, with the aim of building and strengthening a new culture capable of supporting the business strategy. This involved the creation of the Culture Committee; training of leaders and change agents; a performance evaluation process based on competencies derived from the Principles; the communication deployment of cultural pillars; and the Cultural Gap survey, which showed an alignment of 78.6% with the Principles. In 2022, the communication rollout of the pillars will continue, and we expect to obtain 85% in the measurement of the survey, implement a recognition system based on the Principles and maintain the training of leaders and change agents.



PROFESSIONAL DEVELOPMENT

As a complement to the work on cultural transformation, the management areas in charge of people management continue to deepen the processes of updating, learning and development at all levels of the organization. The learning structure in Chile is divided into four areas:

1. **LipiAprende:** its objective is to keep the knowledge of all the Company's specialist areas up to date and to meet the needs of training and technical improvement. In 2021, the Field Instructors project was incorporated to enhance the development of workers who are in the less digitized segment as operators and technicians. For this group, which corresponds to 25% of the company, five internal instructors were appointed to accompany 40% of the bottling operators nationwide in their workplaces. In addition, a new way of learning was implemented in the training platform through microcapsule or *micro-learning* content (see page 50). [↗](#)
2. **Professional Development Program:** focused on high-potential professionals and strengthening their leadership skills (see page 51). [↗](#)
3. **Training Program:** addresses cross-cutting issues for the Company. In 2021, a blended (digital/on-site) process was developed for the “Leading with Energy” program (see page 51). [↗](#)



4. **Safety and Environment:** these are trainings that are addressed between the areas of People and Safety and seek to strengthen the processes of certifications and training in protection and prevention. In 2021, ISO45001 certification processes were carried out, as well as topics related to Supreme Decree 108 on safety for storage facilities, transportation and distribution of LPG and associated operations.

LipiAprende

- LipiAprende (the entire company)
- LipiAprende Energy School

PROFESSIONAL TRAINING-DEVELOPMENT STRUCTURE

Professional and personal development

- DPP Program (Professional Potential Development)
- English language specialization scholarships
- Trade school
- Mental health workshops

Safety and Environment

- Annual SIG Training Plan (Operational Safety)

Internal Training Courses and Programs

- Leading with Energy
- Leadership for the New World of Work
- Courses on Compliance, Technology, Sales, others



In Colombia, the training plan was upgraded using tools that are easily available to employees, allowing the company to cover activities in the regions where it operates and reach all employees via the internet for the development of soft skills and the reinforcement of basic information. In addition, the Trainer of Trainers initiative began, which has now completed two cycles and allowed certified expert knowledge in operations, operational safety, and LPG handling to be transferred, reinforcing the knowledge of 49 people from HSEQ, Bottling, and Bulk. In addition, certification in labor competencies for operations personnel was continued, and the program was expanded to include 215 bottled product distribution drivers, resulting in increased market efficiency and the consolidation of personnel as experts in the safe handling of LPG.

2021 TRAINING

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Amount invested in training (US\$)	313,253	70,664	33,662	3,850
Number of average training hours	9.9	17.7	6.8	10.0

MICRO - LEARNING

The introduction of the micro-learning approach, which consists of the creation of short learning capsules that allow the distribution of diverse contents to be trained in a more friendly and accessible way for workers, was one of the milestones of 2021 in Chile.

Transversal expertise in management tools, Value Proposition, cultural pillars, and performance management model are among the topics covered in these courses. A total of 16 technical subjects were developed at the Energy School. This training was attended by 901 participants in total. In 2022, the task will be to develop more interactive micro-learning and mobilize safety issues toward this methodology.



TALENT MANAGEMENT

In Chile, the transversal talent matrix was examined in 2021 as part of the Talent Management program with the goal of detecting its distribution by management area and zones for future considerations in internal processes. This will allow us to underline the importance of promoting female talent and people from various parts of the country. We also continued with programs aimed at empowering professionals and headships.



The second part of the **Professional Potential Development Program (DPP)**, which benefited 19 professionals chosen in 2020, has ended, and 25 persons have been chosen for the 2022 version, which will include learning through webinars, e-learning courses, and individual coaching. It is a program that has been highly valued by its participants.



The goal of the **New Leaders Development Program** is to help employees who are new to management build and strengthen their managing skills through coaching. In 2021, six people took part.

Individual coaching for managers and team intervention: in circumstances when it is necessary, we aim to enhance leadership abilities and generate influence on the dynamics of the team in charge through the use of an external expert and a coaching process. Three leaders and their direct teams took part in this project in 2021.

57 deputy managers and headships took part in the **Leadership for the New World of Work Program**. It consisted of seven modules, including pillars of the 3.0 culture, self-leadership, emotional management, and empathy in VUCA environments like the ones we face today (volatile, uncertain, complex and ambiguous).



109 supervisors and persons in charge took part in the **Leading with Energy Program**. It addressed seven asynchronous e-learning modules before supplementing the information with three synchronous deepening modules in which 34 individuals participated in a blended learning approach that combines digital, online, and in-person resources to help people learn more effectively.



INTERNAL MOBILITY

During 2021, the focus remained on prioritizing the professional development of male and female employees in the three countries. Within this framework, in Chile, a central objective was to make female talent visible and provide opportunities to take on new challenges, promoting those with leadership potential. As a result, the trend in internal mobility selection processes (promotions and horizontal mobilities) was

to encourage promotions. We promoted nine people to management positions in Colombia as we continued to develop leaders with leadership, communication, and teamwork potential. In total, internal personnel filled 41% of vacancies in Chile, 21% in Colombia, and 5% in Limagas GLP.

2021 INTERNAL MOBILITY

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Vacancies filled by internal personnel (%)	41%	21%	5%	0%

PERFORMANCE EVALUATION SYSTEM

Chile: The already-digitized performance management system was modified to the new competencies established in the business transformation program, with a focus on feedback quality and specific tools for evaluators. 100% of the workforce is included in the system, which also considers the achievement of quantitative goals in the case of managers and executives.

Colombia: For a total of 80% of the workforce identified in this effort, performance evaluations of operating personnel (about 197 employees) were conducted. A qualification rate of 93.1% was reached with 67% of the total number of workers participating in this process. At the management level, compliance with objectives, goals and projects, as well as Chilco's approach to leadership and behavior, were evaluated quarterly.

Peru: Both organizations have implemented the new fully digital performance appraisal system. The task for 2022 will be to use a recognition and organizational culture-related module.

2021 PERFORMANCE EVALUATION

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Percentage of employees undergoing performance evaluations	94%	67%	90%	100%

MEASURING THE ORGANIZATIONAL CLIMATE

Empresas Lipigas uses the Great Place to Work leadership model to foster a work environment that encourages high productivity and efficient teamwork. In Chile in 2021, management was invited to participate in the presentation of the results, and the report was sent to the entire team for the first time.

In Colombia, we went from Satisfactory (68%) to Outstanding (87%) over the expected range, earning the designation of Great Place to Work.

Great Place to Work (2021) survey results

89% Chile
87% Colombia

WELL-BEING AND ENGAGEMENT

Empresas Lipigas seeks to offer a differentiated value offer to the people who work in the Company by balancing their personal and work life, while offering a dignified and unbiased treatment. To this end, benefit programs have been established in each of the three countries with the goal of not only providing emotional, health, and financial assistance, but also contributing to the development of organizational culture by reinforcing sense of belonging values.

Chile: The benefits of the Quality of Life Program are divided into three categories (healthy life, future life and family). LipiTV, LipiBingo, and DCanje, which were created during the pandemic, were consolidated in 2021. The latter has made it possible to provide advantages without regard to geography. Similarly, benefits were examined during collective bargaining negotiations, given that a different reality had emerged, and it was requested to consider telework and virtual medical care, among other things. Flexible benefits for non-unionized workers were also examined, culminating in the release of a new Lipiflex version.



Colombia: Work continued on “Plan Bien”, which aims to improve employee conditions in terms of optimizing travel time, transportation costs, work-life balance, and reducing administrative expenses at the office, among others.

Peru: Action plans put in place during the pandemic continued to be carried out, based on one of the company's values: “caring for people.” Benefits, tools, and implements for prevention, health, safety, and mental health care were included in these efforts.

CORPORATE VOLUNTEERING

Corporate volunteering aims to make a social impact by making inclusion visible, allowing for the development of community-based actions and activities. In 2021, Lipigas volunteers in Chile and the Best Buddies Foundation, a labor and social inclusion organization, teamed up to conduct online activities to raise employee awareness. A campaign to collect sets of bedsheets for three elderly homes was also organized: Central and North Zone, Las Rosas Foundation, South Zone, and Eleam Corporation (Hualpén). As a result, we were able to encourage some volunteering activities within the Company, as well as create areas for persons with and without impairments to engage.

RECOGNITION PROGRAM

In Chile, we continued to build the Recognition Program, which focuses on showcasing the employees who best reflect the new competences and desired behaviors on a monthly basis. The recognition is not limited to positions or locations, and it is implemented in a 360° manner, in which not only managers, but also peers or people from areas other than the outstanding individual, can submit a recognition. Recognition is disseminated through various platforms and is communicated in a special way to each person who is honored, as well as to his or her team. It also comes with a gift from the DCanje system, which can be used to purchase experiences or products.

UNIONIZATION

Another challenge during this period was to stay close to the unions in this new reality, in both Chile and Peru. This confidence is reflected in the existing good ties, which have allowed Chile to conduct early negotiations that have resulted in positive outcomes over the last 10 years. The year 2021 was no exception, with three successful collective bargaining negotiations completed in person or online, benefiting 70% of collaborators.

UNIONIZATION

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Number of unions	3	0	1	0
Percentage of unionization	70%	0%	7%	0%





DIVERSITY, NON-DISCRIMINATION, INCLUSION AND EQUALITY

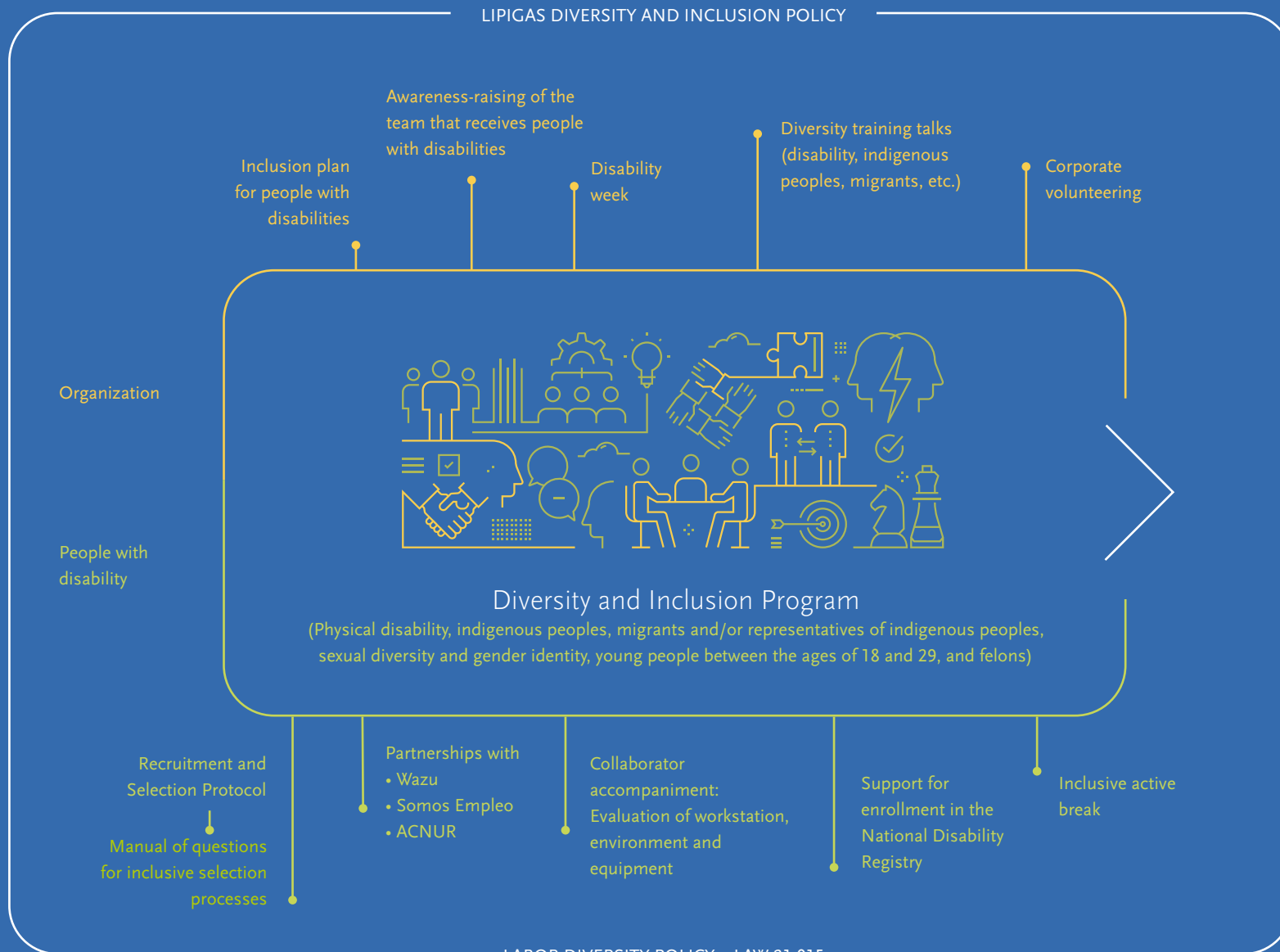
In Lipigas, 2021 was a year of training and cultural transformation in relation to this vector, with tangible measures and increased employee involvement. Active breaks, Corporate Volunteering, and the development of a biweekly information plan on benefits for people in the National Register of Disability, called Did you know? were among the outstanding activities of Chile's inclusion plan for people with disabilities.

The Recruitment and Selection Protocol for People with Disabilities, which includes a Manual of Questions for Inclusive Selection Processes as an annex, was also released. In addition, in 2021, an inclusive graphic was implemented, the wording of employment offers was improved, and the welcome and integration emails were changed.

The Company has been preparing for new challenges as a result of the updating of Chile's Labor Inclusion Law 21.015. The Wazú Foundation, the first labor inclusion incubator for technicians and professionals, and the Best Buddies Foundation, which focuses on the development of social and work skills in people with intellectual impairments, have been critical partnerships. The permanent preparation of the Recruitment and Selection team to comprehend the changing demands and materialize them in an action plan has also been critical.



Lipigas has had an Integration and Diversity Policy in place since 2019, with the goal of “creating diverse work environments where individual differences are respected and appreciated as the engine that drives the development of a sustainable business.”





The introduction of the “Inclusive Active Breaks” program in collaboration with the Best Buddies Foundation was a significant milestone. Its goal is to make disability visible in the workplace through a virtual active break program guided by monitors with Down Syndrome or other intellectual disabilities, which allows employees to conduct simple exercises during their workdays. Due to its success, this initiative will continue through 2022.

Migrants and displaced persons were the focus of other areas of diversity. The +Integrated talk and earlier collaboration with the UN Refugee Agency (UNHCR) to select awareness-raising subjects centered on migration and forced displacement, cultural diversity management, and Lipigas’ multicultural reality. Talks on diversity, inclusion, and promotion were also held. The necessary information for indigenous peoples has been included into the personnel files of the new Integrated Management System, which will be available in 2022.



DISABILITY WEEK

The Disability Week #LaInclusionNosUne was celebrated in 2021, an initiative of the ConTrabajo Foundation - an organization that seeks to generate conditions to improve the quality of life of people with intellectual disabilities and their families through sustainable employment - ACCIÓN Empresas and Red de Empresas Inclusivas de SOFOFA – ReIN (SOFOFA's Network of Inclusive Companies), which was hosted by the Center for the Development of Social Initiatives - CEDIS, of the ESE Business School of the Universidad de Los Andes. This initiative aims to highlight individuals and businesses who, via labor inclusion, make a positive contribution to the country's inclusive and sustainable growth and enable the desire to "leave no one behind."

In this regard, Lipigas organized an activity in which its employees were invited to take part as participants and protagonists (for example, people with children with disabilities who gave their testimony). The goal was to demonstrate that determination and hard work are required to break down the barriers that prevent us from developing under equal conditions.

DIVERSITY

(Number of collaborators)

	Chile		Colombia		Peru			
					Limagas GLP		Limagas Natural	
	Men	Women	Men	Women	Men	Women	Men	Women
By gender	622	285	816	215	211	61	63	7
By nationality								
Natural	574	256	816	215	210	61	61	7
Foreign	48	29	0	0	1	0	2	0
By age								
Younger than 30	66	25	185	97	51	21	14	1
Between 31 and 40	258	127	282	75	84	23	35	4
Between 41 and 50	174	80	208	36	48	14	9	2
Between 51 and 60	86	43	119	5	24	1	4	0
Between 61 and 70	38	10	22	2	4	2	1	0
Older than 70	0	0	0	0	0	0	0	0
By seniority								
Less than 3 years	147	69	475	133	102	23	8	1
Between 3 and 6 years	194	91	134	50	51	22	20	2
More than 6 and less than 9 years	63	28	160	21	21	6	24	2
Between 9 and 12 years	64	23	47	11	17	2	11	2
More than 12 years	154	74	0	0	20	8	0	0

PARTNERSHIPS

Recognizing that Empresas Lipigas is not an expert in the field of disability, it has joined organizations that enable it to better understand, adapt, and enhance this element of the business, as well as generate instances of hiring and supporting individuals with special needs.



Somos Empleo Foundation is an inclusive platform to post job openings for people with disabilities. Despite reasonable adjustments in the positions, there was a low number of applications throughout the year.



Best Buddies Foundation: After determining that he needed extra assistance to reconvert portion of his job, a work plan and follow-up were established for a cognitively impaired employee and his direct team. Monitors with intellectual disabilities guided workers through virtual active breaks.



Wazú Foundation: in 2021 this alliance was consolidated and renewed for 2022. Two people with disabilities were included as a result of it. The annual plan for revising the Inclusion and Diversity Policy, as well as the action plan for complying with Law 21.015, were also discussed. In addition, assistance was given to an employee in getting her disability credential and in the processing of her disability-related early retirement.



NEXT STEPS

In 2022, we will strive to maintain the conditions that have allowed progress in diversity and inclusion, update the Volunteering and Integration and Diversity Policy, and begin the preparation, by Chile Valora (National Labor Competency Certification System Commission), of the person or persons who will be accredited as Inclusion Managers and who will be in charge of all matters relating to this issue.

GENDER PARITY AND EQUALITY

We deepened education and cultural reform in components of gender parity in 2021, just as we did in inclusiveness concerns. Empresas Lipigas reaffirmed its commitment to the Government's Gender Parity Initiative (GPI), which included developing action plans for the three new objectives developed by the Chilean Ministry of Women and Gender Equality: promoting cultural transformation in the workplace; promoting co-responsibility and reconciliation between work and family and personal life; and progressing in the prevention, detection, and referral of situations of violence against women. Additionally, to keep the Company's people informed, a communication plan for greater internal involvement was established, which included communications on the development and achievements of the first stage of GPI. In Colombia, the company actively engages in gender and equality committees (WINLPG), offers support and guidance on inclusion and diversity issues, and develops courses on women's empowerment and respect for the company's employees' unique circumstances.

Furthermore, the UN Women course "I Know About Gender" was distributed internally in Chile, and gender capsules were included in the Lipigas Diversity Training platform, which was produced by Comunidad Mujer. In addition, capsules from Comunidad Mujer's "Las Niñas Pueden" (Girls Can) campaign were distributed, such as the one pictured below.

Empresas Lipigas was given the GPI Seal 2021-2022 by the Chilean Ministry of Women and Gender Parity, which strives to recognize companies that adhere to the GPI and are working on action plans after receiving their self-diagnosis survey report.



Watch Video
(spanish)

WOMEN IN HEADSHIPS AND EXECUTIVE POSITIONS 2021

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Percentage of women in headship positions	26%	35%	20%	0%
Percentage of women in executive positions (managers and deputy managers)	27%	40%	0%	0%

DEVELOPMENT PROGRAM TOWARDS THE NETWORK OF EXTERNAL COLLABORATORS

Everything connected to improving contractor conditions is framed in Lipigas' Value Proposition to Customers and responsibilities for its value chain. As a result, the Company strives to improve their performance so that the service they provide is excellent and safe, both for them and for customers. Lipigas also assists them in the management of their business, their staff, and the transfer of best practices so that they may effectively manage their resources.

Under this framework, the incorporation of transportation carriers into safety control was the main challenge of 2021 in Chile. After spending a year and a half in this field, Lipigas now oversees the complete crew of transportation carriers that distribute from their own centers and logistics operators.

In addition, 33 proposals for improvements were developed based on a survey conducted in early 2020 on contractor working conditions, encompassing safety, purchasing, payments, personnel, and compliance. By the end of 2021, 71 % progress had been made in its execution, thanks to a collaborative effort between the Company and contractors. A contractor site was also created, as well as

digital credentials for contractors' employees. In addition, 12 training sessions for contractor companies with a total of 600 attendees were held. Safety, people, communications, and social benefits were all addressed as part of this program, which was carried out in collaboration with the Carlos Vial Espantoso Foundation. A new cycle is being developed as a result of its success.

Also, within the framework of performance evaluation of contractor companies, we worked on the development of indicators that allow us to obtain a reliable service note regarding contractor companies' performance, which, when combined with their level of compliance in labor, safety, and commercial matters, provides a final score that is used to determine their permanence as well as an annual award. On-site audits, which had been postponed owing to the pandemic, were also resumed, with coverage expanded to include locations, logistics operators, and plants. During the visits, labor and safety concerns were discussed, and COVID-19 requirements were enforced.



Watch Video
(spanish)



A cycle of workshops for Lipigas contract managers was also held in order to strengthen their roles in contractor management, purchasing, supplier payment, and safety, among other things. More than 70 people participated in this cycle.

The Procurement Platform was implemented in Colombia for supplier registration, selection, evaluation, and reevaluation. This seeks and controls adherence to the requirements of Resolution 0312 on Occupational Health and Safety (OSH) and has assisted suppliers who did not meet the minimal requirements in completing the information and being eligible to work with the company.

Starting to manage contractors for the company's new businesses, such as power generation, is one of the challenges for 2022.

LABOR SAFETY AND OPERATING EXCELLENCE



LABOR SAFETY AND OCCUPATIONAL HEALTH

Operating in a safe and responsible manner is one of the Sustainability Principles of Empresas Lipigas. To this end, it strives to “preserve safety and excellence in our processes to prevent incidents that could affect people (employees, contractors, distributors, customers and members of the community), our facilities or operational processes”. During 2021, the Company continued its efforts to improve the leadership of its internal and external collaborators in safety issues, in order to comply with legal requirements, regulations, procedures and protocols. It also supported efforts aimed at promoting a safety culture based on mutual care and the pursuit of zero harm.

In addition, all safety and hygiene measures set by current rules, both in the area of occupational safety and for COVID-19, were followed, which helped to reduce the accident rate. Despite the fact that no fatal accidents occurred in 2021, one of Lipigas’ contractors in northern Chile had to grieve the death of one of its employees, prompting the implementation of additional prevention measures.

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Accident rate (Number of accidents per 100 workers. Includes own workers and contractors)	1.2	3.9	1.7	0.6
Fatal accidents (Number)	0	0	0	0
Occupational illnesses (Number)	0	0	0	0
Percentage of own employees covered by a certified safety system (ISO45001, other)	85%	100%	51%	54%
Number of accidents with serious or fatal consequences for the community or collaborators	7	3	0	0

MILESTONES IN THE PERIOD

One of the outstanding events of 2021 was the adaptation and migration from the OHSAS18001 standard to ISO45001:2018 certification of 13 bottling plants in Chile.

13 bottling plants in Chile. As part of this process, the Safety, Environment and Quality policies were integrated into a single policy applicable to the entire Company. It should be noted that, additionally, the Antofagasta LPG bottling plant has a tri-standard certification since 2019 (ISO45001:2018 for Occupational Safety, ISO14001:2015 for Environmental Management and ISO9001:2015 for Quality Management).

Limagas Natural has 82% percent of its plants certified to ISO45001 in Peru, whereas Limagas has 71%. By 2022, it is estimated that 93% percent of facilities would be certified to this standard.



First Place KAIZEN Award, Excellence in Productivity category, for implementation of the methodology in Concón and Lenga.

During the period, Chilean safety management was reinforced by fostering leadership in all sectors and focused on improving employee behavior, particularly in areas where accidents are more likely, such as Logistics and Operations. A bidding process was also conducted in Chile for the mutual insurance companies established under Law 16,744 for the year 2021-2023, through which ACHS was selected as Empresas Lipigas' new mutual insurance company.

It was possible to begin implementing the Kaizen methodology in the plants of Antofagasta, Rancagua, and Temuco, which were joined to those of Maipú, Concón, and

Lenga, which had done so in 2020, as part of the development in the adoption of the methodology. It was possible to win first place in the Kaizen award in the Excellence Category thanks to the efforts of these latter two facilities.

In Colombia, we saw a decrease in personal stress as well as at-the-workplace and away-from-the-workplace risk when measuring organizational climate and assessing psychosocial risk. After the pandemic, economic reactivation and the restoration of normalcy allowed employees to regain confidence in their work environment and interpersonal relationships, enhancing teamwork to achieve strategic goals.



OCCUPATIONAL HEALTH

Empresas Lipigas has specific programs focused on workers and contractors to prevent, control and manage the main occupational illnesses, mainly related to occupational deafness, musculoskeletal injuries due to repetitive tasks and entrapment of limbs and hands when handling cargo.

In 2021, it was also necessary to adapt and reinforce safety measures to face the new scenario, in order to maintain the operation with the same safety standards and with fewer personnel. Thanks to the leadership and prioritization of senior management in all operational and administrative areas, as well as the commitment of employees throughout the logistics chain, it was possible to have all Lipigas facilities as a safe place to work even under the current COVID-19 pandemic. Additionally, it was necessary to supply and control the adequate use of new personal protection elements such as masks, alcohol-based gel hand disinfectant, temperature control, antigen and PCR tests, among many other hygiene and sanitation measures.

ASSET INTEGRITY AND OPERATIONAL SAFETY

In 2021, non-hazardous waste warehouses were built in nine Lipigas bottling plants (Arica, Antofagasta, Iquique, Coquimbo, Concón, Rancagua, Temuco, Lenga and Coyhaique). Its objective is to have a storage site for non-hazardous waste, such as plastics, cardboard and scrap metal, in order to facilitate compliance with the REP Law. In addition, the first stage of the project to increase the environmental and health operational controls of the plants in Chile was completed.

The new version of the ISOTools X6 platform was launched for the administration of quality, safety and environmental management systems. This milestone provides a new platform to integrate the systems, generate unlimited users and obtain greater flexibility in setting the parameters of the modules.

As is customary, annual training sessions were held within the framework of the Integrated Management System. They covered waste management, explosive atmosphere monitoring, standards, teleworking, and efficiency verification tools, among other topics. Three members of the EPR team visited the LPG facilities as part of the "Training of internal teachers - Energy School" program, which the Prevention Team continued to engage in. On this occasion, they assessed, trained, and followed up on the Operations team's

compliance with operating procedures on a one-on-one basis. In addition, during 2021 in Chile, a total of 2,388 behavioral observations were conducted on both own and contractor staff as part of each LPG plant and center's operational control program (OCP).

19 procedures pertaining to operational safety measures, such as operational discipline, process safety, and road safety, were updated in Colombia. On the latter, initiatives such as skill training in the districts, training with the occupational risk manager to update traffic regulations, redefinition of road safety indicators, and implementation of the Cloudfeet software to ensure preventive maintenance of the vehicle fleet were implemented to reduce road events. We plan to integrate the management system in 2022, focusing on operational safety, personal safety, logistics, and distribution, as well as strengthen processes through the development of quality standards.

Strengthening safety at plants and customer facilities

Safe Operation Committees were formed at plants and customer facilities in 2021. This enabled Operations and Safety management to hold coordination meetings in order to align the organization, clarify roles and responsibilities, and improve safety and legal compliance performance. At the same time, teamwork and many improvement projects were generated, as well as raising awareness and empowering action in the face of unfavorable occurrences.

Excellence in operational safety

All Empresas Lipigas facilities comply with high safety and prevention standards, beginning with regulatory compliance in each country where the company operates.

It also has policies and processes in place, as well as procedures for preventing and responding to events in distribution networks, storage tanks, and gas transportation. Furthermore, in the event that a scenario outside of the norm arises, mitigation mechanisms are in place to mitigate the effects and repercussions.

The Company approaches all excellence and safety activities under the Zero Accident premise in order to ensure that no one associated with its operations is injured, which is a significant issue given that roughly 20 million cylinder manipulations are performed yearly in Chile alone.



INCLUSIVE ACCESS TO ENERGY

Empresas Lipigas is constantly working to provide access to efficient, low-polluting, and economically accessible energy solutions to all sectors and geographically inaccessible places in order to contribute to the communities and countries where the company operates. It is committed to finding solutions to decrease energy poverty and to being a key player in achieving the global goals of equitable energy inclusion through initiatives like these.

According to a study published in 2019 (see text box), energy poverty results in low residential energy efficiency, low thermal comfort, high energy expenditure, and long average times between power outages. Low thermal efficiency and service instability create new factors that enhance inequality at the national level when climate change projections and the new requirements connected with them are added to these variables. LPG plays a significant part in this because of its widespread availability at a national level and its adaptability, which allows for a variety of domestic applications.

In this context, Empresas Lipigas has implemented a number of proposals to collaborate in addressing this issue, primarily through public-private partnerships and continuous geographic expansion, in order to reach all segments of society with energy solutions, particularly those with lower incomes and less access to non-polluting energy.

THE INTERNATIONAL RAW MATERIAL PRICE FACTOR

The increase in the price of the raw material has resulted in an increase in the price to the end customer during the last two years, affecting lower-income families who use LPG as their main source of energy for daily activities such as cooking, water heating and heating.

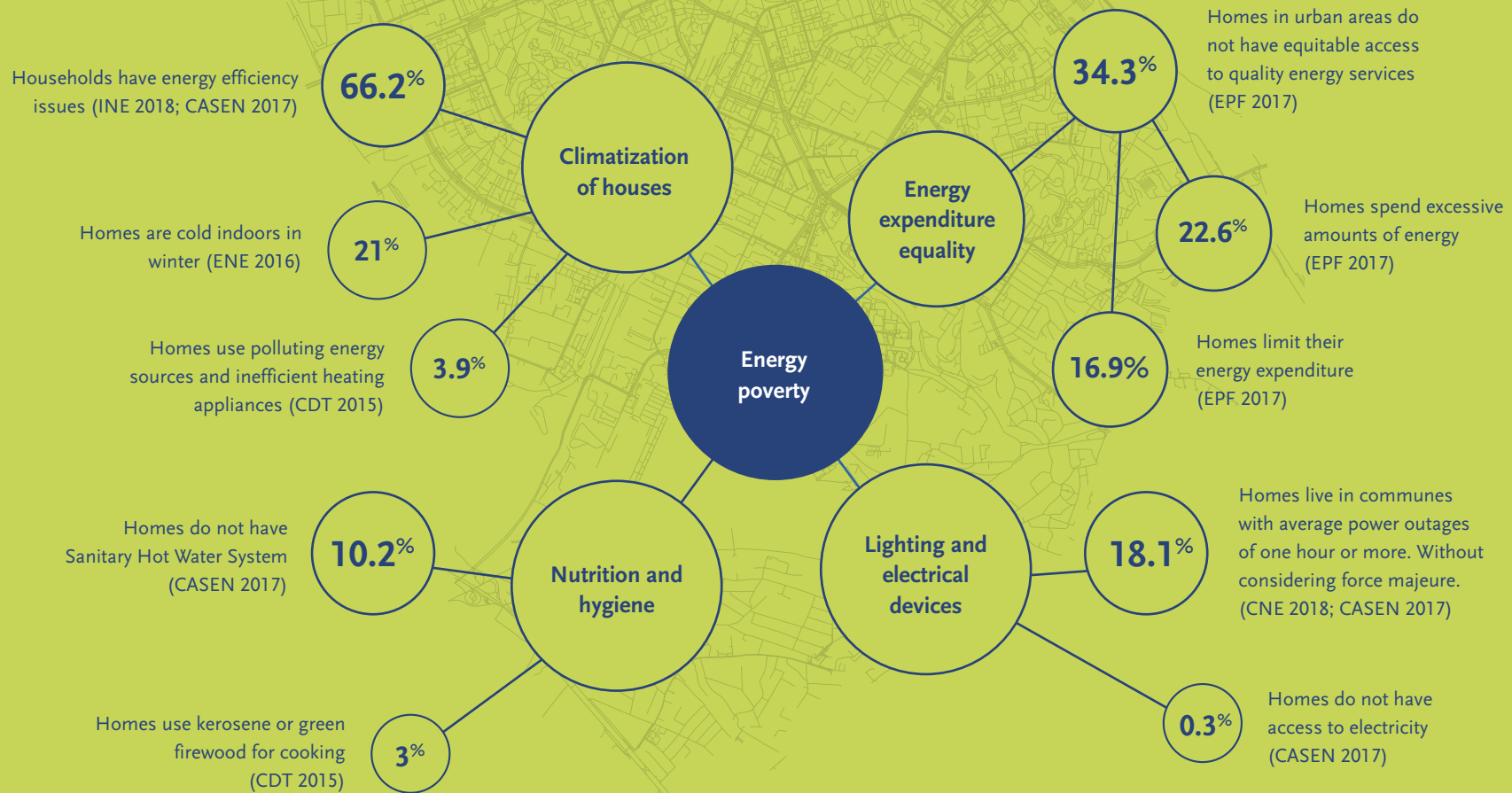
It should be noted that raw material accounts for 50% of the cost of an LPG cylinder, hence its value is directly linked to global prices. This is especially crucial in the case of Chile, which is a non-producing country that must import practically all the gas that it consumes.

In this respect, Lipigas signed an agreement with the Association of Municipalities of Chile (AMUCH) at the end of 2021, targeted at helping all of its communes' neighbors, but also available to any other municipality in Chile.

Lipigas and each municipality have agreed to a one-year arrangement in which each person who signs up receives two monthly discounts on purchases of 5, 11, 15, and 45 kilogram loads.



STUDY OF EQUITABLE ACCESS TO QUALITY ENERGY IN CHILE, RedPE 2019



THE FOLLOWING INITIATIVES STAND OUT IN 2021:

CHILE

More than 80% of Chilean homes utilize LPG, which is used for a variety of residential uses. As a result, the product's supply and availability must be guaranteed, and Lipigas has a large distribution network of its own as well as partnerships with external distributors.

Due to the impact of the increase in gas prices in 2021, efforts were taken to reduce the cost of the gas load, including:

- Agreement with the Association of Municipalities of Chile, the Association of Rural Municipalities and other municipalities to offer discounts to neighbors registered in their respective municipalities.
- LipiVecino: a program that allows customers to purchase a gas cylinder without having to pay for delivery. This program, which is currently being expanded, focuses on one of the aspects that the Company can control, namely logistics and delivery, and passes on these "savings" to the consumer. As of March 2022, there were 79 LipiVecino outlets open in 54 municipalities across the country.

COLOMBIA

NG's coverage in Colombia is concentrated in the main cities. Through LPG, the Company serves low-income sectors of society, helping to displace the consumption of firewood for cooking.

In 2021, the massification of household gas through networks continued, incorporating eight new municipalities that benefited close to 9,000 families.

In addition, LPG cylinder sales projects were launched in areas with low penetration of NG and/or migration from other fuels such as electricity and firewood.

For the following periods, the challenge is to benefit close to 40,000 families that do not have residential network gas service.

Through the creation of the subsidiary Chilco Net S.A.S., the Company entered the residential internet industry in Colombia, with the goal of exploring the development of the business of providing high-speed internet service to clients in small and intermediate cities in the interior of Colombia. This will allow the company to provide high-quality internet access to areas that are now without it due to a lack of connectivity and inadequate resources.

PERU

The goal is to reach out to remote communities that lack access to affordable and ecologically friendly energy options, whether they are industrial, commercial, or private.

In addition, we provide power generating solutions for customers who are not connected to the national grid, which can be used to replace traditional fossil fuels. Among these initiatives are:

- Inauguration of Latin America's first LNG plant in Cusco.
- In Nasca, the first NGV filling station is set to open, with cab drivers able to pay half the price of gasoline.
- The first LNG plant in the Peruvian jungle is set to open, reducing emissions from neighboring industries.
- The first CNG supply contract expands the company's geographical presence in northern Peru, in the Piura region.
- A CNG-powered electricity generation project at the Decameron Tumbes hotel, replacing diesel.
- The second LPG power generation facility in remote areas has begun operations.





Chapter 5

GOVERNANCE AND RESPONSIBLE BUSINESS

Empresas Lipigas is committed to ensuring the sustainable growth of its business by constantly adapting to the evolution of the environment.

Sustainability principles addressed in the chapter:



We develop a sustainable, adaptive, and ethically integral business



We build reliability and closeness with our customers and the environment



We contribute to the energy development of the communities in which we operate



CORPORATE GOVERNANCE AND RESPONSIBLE GROWTH

In recent years, the Company has implemented a number of growth projects based on its mission to provide the best energy alternatives to customers in order to improve their quality of life by increasing the efficiency of processes in residential, commercial, and industrial sectors. It has concentrated its major investments in this area.

STRATEGIC OBJECTIVES

The strategy that is still in effect is based on four pillars that guide the company's pursuit of greater efficiency, productivity, and sustainability.

Strengthening the core business (LPG): primarily focused on continuing to improve service quality and simplifying access to this product in all formats for those who need it (more information on page 85).



Commercialization of other energies: Important steps have been taken to commercialize new energies, particularly those of renewable origin, such as solar and others, in addition to gas (more information on page 27).





Intensive use of digital tools: primarily in order to continuously improve management and respond to market demands (more information on page 89).



Development of adjacent businesses, other than gas: based on logistical, digital, and commercial capabilities and strengths, as well as direct customer relationships (more information on page 72).



In addition to these strategic pillars, we have added the challenge of decarbonization, for both our own operations and those of our customers, by developing new low-carbon products and solutions for residential, commercial, industrial, and specific industries, such as mining and transportation, and by replacing the use of liquid fuels with lower-emission alternatives, such as LNG for cargo trucks (more information on pages 27  and 68). 



FINANCING POLICY

Empresas Lipigas obtains its funding from its own resources, credit from suppliers, debt from financial institutions, and the stock market. Prior to 2010, the Company only borrowed on the financial market on a limited number of occasions and for specific projects. With the entry into LPG operations in other countries and the resulting increase in the need for funds, in addition to the commitments related to the construction of the facilities at the Quintero maritime terminal, the company has taken on bank debt.

In April 2015, the Company completed its first public debt issuance on the market, through the placement of a 25-year term bond for a total of 3.5 million UF, reorganizing its source of financing at a term consistent with its investments. In December of 2017, the Company registered two lines of bonds (10-year and 30-year terms) for a total maximum of 4 million UF. In January of 2020, Empresas Lipigas S.A. issued its second bond in Chile for 2.5 million UF with a 25-year maturity. The funds will be used to refinance existing bank debt and make new investments. The approval of loans depends on the amount of each transaction. The Board of Directors must approve all transactions exceeding CLP 9,600,000,000.

Page 97 contains details about the industrial sector as well as the operations and businesses of Empresas Lipigas. [↗](#)



RESILIENCE OF THE BUSINESS MODEL TO TRANSITION TO CLEAN ENERGIES

To become a carbon-neutral business, Lipigas is creating a strategy and a roadmap. To this end, it is exploring more sustainable energy alternatives that contribute to the decarbonization of cities and the operations of its customers, especially in the commercial and industrial areas. This plan takes into account the incorporation of companies that use cleaner energies and products, an awareness of where the world is going, and the significance of offering solutions that address the phenomenon of climate change and its consequences from an adaptive and commercial perspective.

The Company is exploring alternatives aimed at:

- A shift toward more cost-effective energy products for all consumers.
- Utilizing existing infrastructure as much as possible will prevent raising production, distribution, or consumer costs that could result from changing appliances.

GREEN HYDROGEN AND BIOFUELS

The investigation and assessment of clean energy substitutes advanced in 2021. The following stand out among the initiatives taken:

- **The development of low-carbon LPG in Chile:** At the end of 2021, an agreement was reached with Suburban Propane and Oberon Fuels to begin operating tests of the carbon neutral gas produced from the blends of dimethyl ether (rdME) and LPG in domestic and commercial applications. Dimethyl ether is a renewable gas that can be produced synthetically from green hydrogen as well as organic waste (garbage, cow manure, biomass). The ability to utilize the same infrastructure and equipment that customers currently use, without conversions or significant investments, is one of its many benefits, in addition to the environmental ones. Beginning in early February 2022, the first containers carrying rdME arrived in Chile, kicking off the corresponding test plan.
- **Generating knowledge:** collaboration with a number of Chilean private sector companies in the McKinsey study to hasten the market's development for green hydrogen and synthetic fuels.

Beginning operations in early 2022, the new Green Hydrogen and Biofuels Management consolidated the aforementioned and provided a more organic strategy.

SOLAR ENERGY

In 2021, the Company acquired 80% of the shares of Four Trees Energía Distribuida S.A., a distributed solar generation company. This is part of Lipigas' strategy to strengthen its

electricity business in a sustainable manner, a sector with enormous growth potential, such as solar self-generation, especially in the regulated and unregulated customer segments. In the future, Lipigas plans to provide renewable solutions to more industries and businesses of varying sizes.

EVOLUTION OF THE LNG-BASED OFFER

As an alternative to the use of fossil fuels with a larger environmental footprint, Lipigas is taking the next step in the evolution of its offer based on liquefied natural gas (LNG). The following are some examples of initiatives in this area:

- Commencement of Liquefied Natural Gas (LNG) use for cargo transportation in Chile, with the opening of the first LNG supply plant in Latin America. This is in addition to the already-implemented provision of compressed natural gas (CNG) for cargo and long-distance transport, as well as natural gas vehicles for taxis.
- Development of a project for the production of peroxides in the south of Chile that uses LNG as a raw material for the first time, obtaining the H₂ required for the corresponding chemical process.
- Commencement of LNG commercialization from the GNL Mejillones Terminal in the mining industry and northern Chile. This comes as a result of the closure of two iodine-producing mines in Antofagasta and Iquique. The replacement of fuel oil 6 is anticipated to reduce the carbon footprint of these processes by up to 25%.

Page 27 provides more details about the initiatives in the new energy offer. [↗](#)

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors of Empresas Lipigas is composed of seven directors and an equal number of alternate directors. In accordance with Law No. 18,046 on Chilean Corporations and the Company's bylaws, the term of office is for a maximum period of three years, and they may be re-elected indefinitely in their functions.

The current Board of Directors was elected at the General Shareholders' Meeting held on April 22, 2020 and as of December 31, 2021 was comprised of the following persons:

Directors	Alternate Directors
Juan Manuel Santa Cruz – Chairman	Cristián Neely Barbieri
Jaime García Rioseco – Vice Chairman	Tina Rosenfeld Kreissemyer
José Miguel Barros van Hovell tot Westerflief	Gerardo Varela Alfonso
Francisco Courbis Grez	Ignacio Binimelis Yaconi
Juan Ignacio Noguera Briceño	Bernardita Noguera Briceño
Jaime Santa Cruz Negri	Rosario Navarro Betteley
Mario Vinagre Tagle	Esteban Vinagre Tagle

Page 109 provides more information about the composition of the Board of Directors. [↗](#)

COMPOSITION OF THE BOARD OF DIRECTORS (as of December 31, 2021)

	Gender		Independence		Nationality		Seniority in the organization				
	Men	Women	Independent	Non-independent	Chilean	Foreign	Less than 3 years	Between 3 and 6 years	More than 6 and less than 9 years	Between 9 and 12 years	More than 12 years
Directors	7	0	3	4	7	0	2	1	0	2	2
Alternate Directors	4	3	3	4	6	1	6	0	1	0	0

	Age range						Disabled
	Younger than 30	Between 30 and 40	Between 41 and 50	Between 51 and 60	Between 61 and 70	Older than 70	
Directors	0	0	0	2	5	0	0
Alternate Directors	0	1	1	4	1	0	0

The chairman of the Board of Directors is not a member of the company's executive team. The Board of Directors did not retain any relevant amounts of outside counsel in 2021.

The Company has conducted its last three shareholder meetings remotely, allowing for both virtual and in-person participation. When the conditions outlined by the health authority have permitted it, the latter modality is used.

Page 109 provides more information on directors and alternate directors, Directors' Committee and its role, main executives, remuneration. [↗](#)



OWNERSHIP CONTROL SITUATION

Empresas Lipigas S.A. is a publicly traded company. Due to the expiration of the Shareholders' Agreement, which was signed in 2017 by the then-members of its controlling group and finished in 2020, it currently does not have a controller.

Page 118 provides more information on Ownership and Control of the Company. [↗](#)

GOVERNANCE FRAMEWORK

The Board of Directors is in charge of setting the Company's strategic direction, approving its policies, overseeing its value creation, and making effective use of its resources. It also monitors its management control, risk, and performance systems. Additionally, it guarantees that Empresas Lipigas always works in the best interest of all shareholders

and takes the needs of its stakeholders into consideration. The Directors' Committee and the Transformation Committee support it in carrying out its duties. The latter's responsibility is to get the company ready for upcoming commercial issues.

The Board of Directors oversees sustainability initiatives and makes suggestions to senior management so that ethical, economic, environmental, and social considerations are taken into account when making decisions.

The Chief Executive Officer, who is in charge of all corporate operations and to whom all business and support units report, is given management and administrative authority over the company by the Board of Directors.

Evaluation: The Board of Directors hires outside consultants to help it with an annual evaluation of its performance.

Organizational resilience in contingency situations: The business has a crisis or contingency plan in place. When necessary, the General Management Area creates a Crisis Committee or calls a meeting of the Emergency Operations Committee to address a particular issue.

GOOD CORPORATE GOVERNANCE PRACTICES

Adopting, putting into practice, and improving sound corporate governance, social responsibility, and sustainable development practices are ongoing concerns for the Board of Directors and the Company. In order to do this, the company has policies, practices, and procedures that are disclosed annually to the Financial Market Commission (CMF), in line with General Rule No. 385, for the benefit of shareholders, investors, and the market in general.

More information at:
<https://www.lipigas.com/en/investors/corporate-governance/estandares/> [↗](#)

Page 23 contains information on sustainable governance. [↗](#)

Page 79 provides information on how Lipigas detects and manages the conflicts of interest it faces, conduct that could affect free and fair competition, and how it prevents corruption, money laundering and financing of terrorism. [↗](#)



ADAPTING THE STRUCTURE FOR BUSINESS TRANSFORMATION

In 2021, the Company continued the process of changing its organizational structure in light of the new problems the industry was facing.

The Business Transformation, Digital Factory, and Electric Business management areas were established in 2019. The corporation was divided into business lines in 2020, and the divisions for large customers and mass consumption were established concurrently with the division for electric business.

Similar to this, the subsidiary Logística y Desarrollos Digitales SpA, established in April 2021, will consolidate its own structure as of 2022 for the development of new adjacent businesses, leveraging the company's logistics-digital skills, outside from gas.

As of January 2022, the strategy's success prompts Lipigas to undertake a fresh adjustment, which results in the formation of the Chilean Gas Management Area and the Green Hydrogen and Biofuels Management Area. The latter's purpose will be to investigate and carry out projects that enable the integration of renewable energy alternatives into the core business and/or directly advance the pursuit of carbon neutrality.





RISK MANAGEMENT

To maintain the company's sustainable growth and to safeguard its employees, clients, communities, assets, and reputation, Empresas Lipigas proactively manages risks. The Board of Directors is in charge of creating controls and duties to prevent and/or reduce these risks, ensuring effective identification and management of them.

In order to promote a robust internal control environment, the Company:

- Has an effective and integrated risk management system.
- Identifies and evaluates the most relevant risks of its business.
- Establishes mitigation plans for strategic risks and monitors their compliance.

Management is responsible for the identification and evaluation of risks, which are annually provided to the Board of Directors by the Internal Audit department for examination and approval; the most recent version was presented in December 2021. In addition to monitoring compliance with the applicable mitigation measures, the Directors' Committee and Management conduct periodic reviews of significant risks. Thus, eleven regular meetings of the Directors' Committee were held in

2021, at which particularly operational, financial, regulatory, security, compliance, including free competition, and cybersecurity issues were accounted for and addressed.

In relation to antitrust risks, the current risk map covers major violations of Crime Prevention Law No. 20,393. Lipigas has an Information Security Master Plan pertaining to cyber security (page 82). [↗](#)

All sustainability-related risks are included in the company's strategic risks. They are managed through area-issued plans requested by General Management. They also encompass those involved in the value chain. Specifically, a study was conducted in 2021, with the assistance of Deuman, to assess the principal physical and transition risks to which the Company is exposed as a result of climate change, as well as to determine the corresponding response strategy (see page 38). [↗](#)

In 2022, the risk map will be updated, and the Risk Management Policy will be further developed in order to:

- Establish, formalize and implement a comprehensive methodology for risk management.
- Define and establish the acceptable level of risks.
- Have explicit approval of risk mitigation plans.
- Conduct periodic evaluations of the procedures used for risk control.
- Keep stakeholders informed about the Company's risk status and profile.

Audit: the Company has an Annual Internal Audit Program, approved by the Directors' Committee, which is based on the risk matrix and evaluates the result of those actions necessary to mitigate them. Each audit generates a report for the audited area, which undertakes to solve the gaps detected within a defined period of time, which are supervised by the Audit area. This area informs the Directors' Committee and General Management on a periodic basis of the reviews conducted in relation to the identified critical risks, indicating the current risk rating and the improvements to processes and controls.

Page 124 provides information on risk factors. [↗](#)



INTEGRITY AND COMPLIANCE

The Board of Directors is constantly concerned with the implementation, improvement, and application of good corporate governance and sustainable development practices. It has policies, practices, and procedures to accomplish this. The Sustainability Principles, the Code of Conduct, the Crime Prevention Model, and policies on Compliance, Free Competition, Anti-Corruption, Interaction with Public Officials, Inclusion and Diversity, Environmental and Occupational Safety, Operational and Occupational Health are among them.

Persons

- Inclusion and Diversity Policy.
- Labor, Operational and Occupational Health and Safety Policy.
- Protocol for Coexistence and Teleworking.
- Standards of conduct in our relationship with contractors.

Ethics and Compliance

- Code of Conduct and Best Practices.
- Crime Prevention Model.
- Compliance, Free Competition, Anti-Corruption, Interaction with Public Officials, Conflict of Interest and Insider Trading Policies.

Sustainability Principles

Environment

- Safety, Environment and Quality Policy.

More information about Empresas Lipigas' guidelines can be found at <https://www.lipigas.com/en/investors/corporate-governance/ethics-and-compliance/>

ETHICAL CONDUCT

Operating in Chile, Colombia, and Peru - in different environments and cultures - the company faces the challenge of preserving the values and principles that guide its actions, aligning all employees with the Corporate Purpose and Objectives, and ensuring their integrity by adhering to internal policies and local regulations.

CODE OF CONDUCT AND GOOD PRACTICES:

is a guide for decision making and a framework for action towards customers, suppliers, business partners, employees and all those who interact with the Company. It defines basic standards of behavior, means for reporting suspected ethical or legal violations and, most importantly, aims to prevent these events from occurring.



CRIME PREVENTION MODEL (CPM): its objective is to prevent the commission of any of the crimes sanctioned by Chilean Law 20.393⁹ and its subsequent updates, including Law 21.121¹⁰, among others. The MPD is a process of preventing and monitoring risks associated with illicit activities, which integrates control mechanisms of business processes and the development of a series of permanent activities of prevention, detection, response and continuous improvement.

Additionally, Empresas Lipigas has specific guidelines on anti-corruption, interaction with public officials, conflicts of interest, insider trading and free competition. The aforementioned matters are included in its Risk Management System, together with the controls for those risks identified.

CONFLICTS OF INTEREST: There is a Conflicts of Interest Policy in place to ensure compliance in this topic. In addition, the Company conducts periodic campaigns to promote this strategy. All executives must sign a declaration of conflict of interest that was last amended in December 2021. In addition, from 2019 there has been a Conflict of Interest statement that focuses on compliance with Law 20,393 for directors and senior executives.



FREE COMPETITION: Since 2018, the Company has strengthened its processes to avoid anticompetitive behavior through risk mapping and the development of the Free Competition Program. Since that time, the company, under the guidance of the law firm Carey y Cia., has continued its prevention and management activities, including mandatory classroom and online training, email dissemination, the "At Lipigas, we play fair" campaign, legal and compliance support, and ongoing advice to executives of the commercial areas.

⁹ Law on Criminal Liability of Legal Entities for crimes of money laundering, financing of terrorism and bribery of national and foreign public officials.

¹⁰ Modifies norms on corruption and other crimes, creates new criminal offenses and expands the criminal liability of legal entities.

ETHICS COMMITTEE: It operates in all 3 countries and oversees the impartiality and correct operation of the Code of Conduct and Good Practices, including actions linked to the Chilean Crime Prevention Model. In addition, it reviews complaints and takes action according to the criteria and procedures set by the Ethics Committee for their investigation and resolution. The committees meet on a monthly basis.



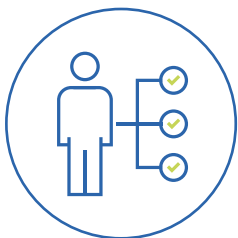
TRAINING: Lipigas has an e-learning to train collaborators in relation to the Crime Prevention Model, which it updated in 2021. In addition to the above, campaigns and training on integrity and compliance included, depending on the reality of the country in which we operate, issues of free competition, anti-corruption, money laundering and financing of terrorism, conflicts of interest, interaction with public officials and data protection. In addition, we continue to disseminate the use of the whistleblower hotline.

Training is also provided on the standards of conduct for contractors and the campaign on the statement of conflicts of interest. Contract administrators were also trained in compliance matters.



WHISTLEBLOWER HOTLINE: It is operational in all 3 countries and provides a discreet, anonymous, and retaliation-free avenue for reporting any irregularities or transgressions. It is accessible to employees via the intranet and to customers, suppliers, contractors, distributors, and the general public via the websites of the Company's Chilean, Colombian, and Peruvian subsidiaries. In 2021, the "No te lo guardes, Cuenta!" ("Don't Keep It to Yourself, Report!") campaign was conducted to encourage employees to use the whistleblowing hotline.





COMPLIANCE

Since 2018, the Company has had a Compliance area in charge of fostering an ethical culture inside the organization, identifying and mitigating risks associated with noncompliance with regulatory and legal obligations and establishing the appropriate procedures. This area manages risks using an annual plan that considers permanent activities and others that are incorporated based on the Board of Directors' priorities. Reviewing the risk matrix and establishing or enhancing controls for the various risks identified by the matrix. At least three times per year, the compliance area submits a report to the Board. Since 2021, the subsidiary in Colombia has a Compliance Officer whose sole responsibility is to ensure compliance. In Peru, the Legal Manager is responsible for this duty.

As of 2021, the vision was broadened to include the protection of personal data, the publication of a policy on the subject, and the incorporation of this subject into the terms of contracts with customers and agents. In Colombia, the regulations and processes pertaining to money laundering and the financing of terrorism have been revised.

The Coexistence and Teleworking Protocol was designed in 2020 in response to the pandemic's new labor scenario. The training of personnel continued in 2021, and the appropriate e-learning was implemented. The subsidiaries in Peru and Colombia adapted it to their respective situations.

The Standards of Conduct in our relationship with contractors, which address the company's commitments to its contractors in respect to each of its four Values, were issued in 2020 with the intention of enhancing the company's virtuous relationship with contractors. In 2021, the scope was expanded to cover transportation carriers and other associated third parties, as well as supplier-required behaviors and best practices. Additionally, in 2021, the World Check Refinitiv platform was utilized to perform the supplier due diligence procedure for crime prevention purposes.

Legal and regulatory compliance 2021

Scope	Number of enforced sanctions	Amount represented by enforced sanctions (CLP million)
Customer relations	0	0
Employee relations	3	10
Environment*	0	0
Free competition**	0	0
Other fines***	6	215

* Sanctions in the Public Registry of Sanctions of the Superintendency of the Environment, as required by the new General Rule 461.

** The market study of the Chilean National Economic Prosecutor's Office (FNE) did not find any act against free competition.

*** Fines from the Superintendency of Electricity and Fuels (SEC). The largest fine (CLP 192 million) was paid by the Company in February 2022. The rest corresponds to fines for traffic violations committed by trucks.



CYBERSECURITY AND DATA PROTECTION

Both Peru and Colombia have data protection regulations. Chile, for its part, is in the process of renewing its current legislation to guarantee the rights and treatment with which personal data is used.

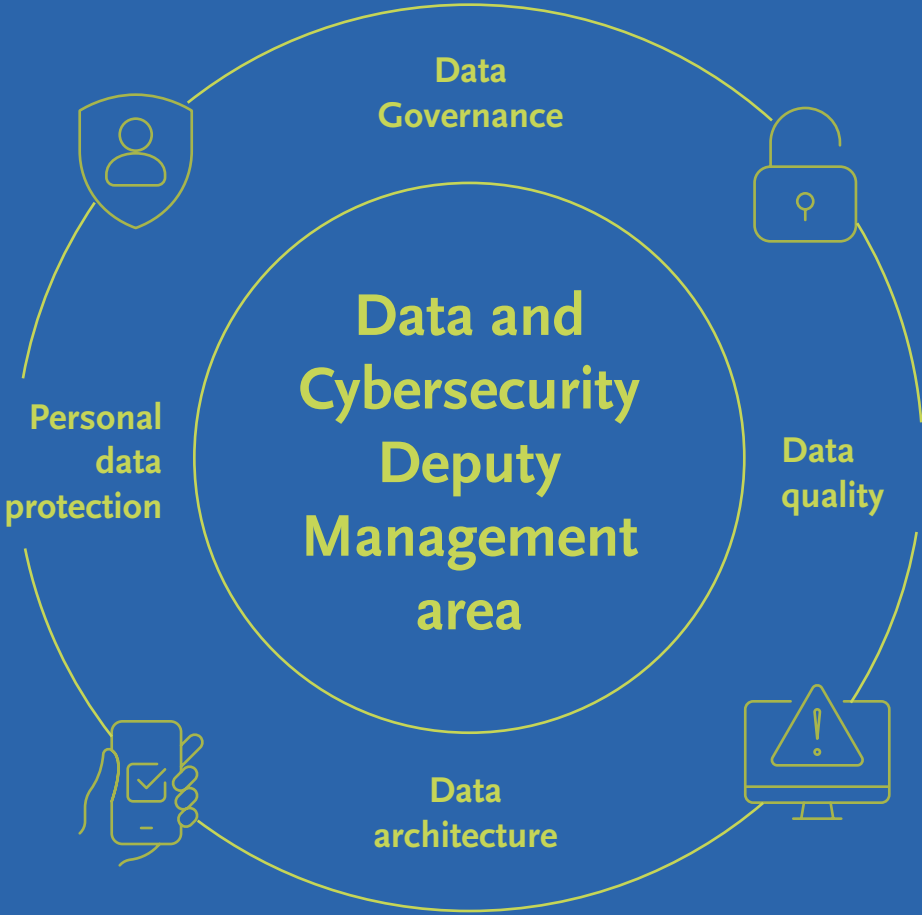
DATA GOVERNANCE

In 2019, with the creation of the Digital Factory Management area, the Company began a process of digital transformation during the pandemic provided the necessary support to continue operating with communication and interaction systems, both inside and outside the company. Management develops and implements technologies to improve customer experience and more efficient processes within Empresas Lipigas.

At the same time, the maturity level of information security in Chile was evaluated based on the set of controls established by the ISO 27001 standard. The main finding was the need to expand the scope of cybersecurity from the IT area to a strategic organizational level. Therefore, in 2021 the Data and Cybersecurity Deputy Manager role was created, whose responsibility is the strategic management of cybersecurity and risk management of critical information assets. This unit focuses on four pillars: data governance, data quality, data architecture and personal data protection.

At the executive level, the Cybersecurity Committee operates on a monthly basis, formed by Digital Factory, the Cybersecurity Deputy Management area and Audit, through which progress on vulnerabilities, threats, attacks and system updates, among other matters, is monitored.

PILLARS OF STRATEGIC DATA AND CYBERSECURITY MANAGEMENT





DATA PROTECTION AND INFORMATION SECURITY

In the second half of 2021 the Company initiated the development of an Information Security Master Plan, with the advice of external experts, which will include: information security and cybersecurity governance, information security awareness and education program, information asset management and risk management methodology, user access management, information security in supplier management, incident management and review and measurement program, among other aspects.

In 2021, the Company laid the groundwork for personal data protection and prepared for compliance with a Chilean law that addresses additional requirements in this area. It also made progress in the creation of the Customer Data Protection and Privacy Policy and the terms and conditions of its technological applications, raised awareness of the importance of data protection through talks and reviewed contracts with customers

and agents, among others. Using the same methodology, we intend to extend personal data protection to suppliers and collaborators who are natural persons by 2022.

In order to comply with current regulations, the Data Processing Policy in Colombia was revised, and reports to control entities were strengthened. In addition, we revised the contractual clauses regarding data protection issues. In 2022, employee training in good practices and the handling of third-party data will be enhanced (users, employees, customers and suppliers).

We will address the incorporation of privacy and security into the design of services and procedures, also known as “Privacy by design” and “Security by design,” with an eye toward the future and a recognition that the protection of consumers’ data is of paramount importance.



CUSTOMER VALUE PROPOSITION

The Company continued to operate to deliver the best service to its customers and add value to their shopping experience. In 2021, loyalty initiatives were consolidated, digital projects were strengthened, and the Data and Cybersecurity Sub-Management area was created. These efforts led to several awards, mainly related to customer experience.

COMMITMENT TO CUSTOMERS AND NEW DIGITAL DEVELOPMENTS TO ENHANCE THEIR EXPERIENCE.

In 2021, the Customer Value Proposition continued to be strengthened in an effort to enhance the customer experience through the proximity and dependability of Lipigas's services and solutions. To this end, the protocols adopted voluntarily were maintained, along with those mandated by the authority, to protect both employees and customers, given the constant interaction with them during the pandemic and the gradual return to more in-person activity during the deconfinement phase.

Additionally, all Lipigas service procedures were maintained in a state of development, with standards exceeding those outlined in the reference regulations in all countries where the company is present. Regarding Law No. 19,496 on Consumer Rights Protection in Chile, the Company has systems of guarantees, product returns, or money, based on higher commercial standards than those established by the regulations, as well as commercial compensation processes aimed at restoring the detriment or impairment when the situation calls for it.

The primary focus of work in 2021 was on enhancing the connection with customers across all business segments or lines of business, addressing the critical processes that impact their experience, and surveying and redesigning the relevant processes in their "journey" (interactions, points of contact and moments of truth). In addition, we sought to maintain high levels of customer satisfaction and service throughout the supply chain, while also enhancing and adapting customer service channels for commercial customers via Call Center processes and digital initiatives.



2021 Challenges

Establish
and improve
communication with
network customers,
increasing their
perception and positive
evaluation.

To deepen the
management of the process
chain from the different
areas to the customers.

The main achievements by customer segment were:

Bottled customers (residential and commercial): deepening knowledge of customer segments; deepening (for residential) and implementing (for commercial) digital communication; and delivering improved commercial conditions through discount campaigns.

Customer Networks (bulk and meter): reduction of communication gaps and problem resolution. The most relevant processes with the greatest impact on customers were addressed, improving their perception in two relevant dimensions such as Compliance and Absence of Problems.

Industrial and Commercial Customers: the main achievements have to do with accessibility, digital communication and the generation of differentiated value propositions based on their needs. Having an “Online Executive” allows us to maintain and generate the necessary closeness with our customers and become a more dynamic company that can swiftly respond to their current needs.

In Colombia, the Customer Value Proposition continued to be strengthened by identifying and managing 2,900 points of sale for bottled products and by developing projects in areas with low natural gas (NG) penetration. In addition, in bulk and forklifts, small volume and higher margin projects were implemented in accordance with the channel's strategy, and the CRM system, which integrates all the commercial area's data, was consolidated.

ACKNOWLEDGEMENTS



First Place National Customer Satisfaction Award 2021 ProCalidad - Gas Cylinder Sector.



First Place in the Gas Cylinder Category in the PXI Praxis Xperience Index ranking.

First place overall in all sectors in PXI ranking. Praxis Xperience Index.



Best Company in Customer Experience Award, BCX Index of the Utilities sector in Latin America for 2020.

Best Company in Customer Experience Award, BCX Index of the Chilean Utilities sector for 2020.





PAYMENT ACCOMODATIONS FOR NETWORK GAS CUSTOMERS

In March 2020, Lipigas voluntarily decided not to cut off the supply for non-payment as a result of the emerging health emergency in Chile. Subsequently, it continued with this measure, established by Law No. 21,249, which was published in August 2020, and which exceptionally provided for the nonsuspension of basic services for late payment, due to the pandemic's effects. In addition, by making a request directly to Lipigas, the possibility of renegotiating the payment of debts was maintained throughout 2021, with a particular emphasis on meter customers who are part of the 80% of the most vulnerable households, who are unemployed or belong to the elderly population.

The validity of this law expired on December 31, 2021. Until March 2022, Lipigas maintained the policy of not cutting off service for those with outstanding debt.



2021 GEOGRAPHIC COVERAGE AND FACILITIES

Chile 99% geographic coverage

- 608 associated distributors + Logistics Operators (LPO).
- 30 direct delivery operations, with coverage from Arica to Coyhaique.
- 13 storage and bottling plants.
- 70 distribution and sales centers (LPO locations).
- 1 LNG customer for transportation.
- 43 points of sale of vehicle gas
- 2 maritime import facilities.
- 2.4 million customers.

Colombia 94% geographic coverage

- 124 associated distributors.
- 2,779 points of sale.
- 19 storage and bottling plants.
- 17 depots (warehouses).
- 1 maritime import facility.
- 685,781 customers.

Peru 63% geographic coverage

- 451 associated distributors.
- 8 storage and bottling plants.
- 1 depot.
- 2 natural gas compression plants.
- 583,488 customers.



CUSTOMER SATISFACTION

In the case of Chile, reducing service gaps was one of the 2021 work priorities. To this end, we addressed our customers' most pressing issues, reducing resolution times, while fostering a closer experience. In addition, each project was approached from a transversal perspective, with multidisciplinary teams ensuring the success and consistency of the solutions. An example of this was the prepaid order process through the App, to which a new payment method was added through the Banco Estado wallet, also improving the interaction of banks with SAP to reduce incidents. As a result, from an annual average of 13% of orders placed via the App in 2020, this increased to 17% in 2021, with a peak of 20% in July.

The Customer Committees, which were established in 2020, were consolidated in 2021 in an effort to strengthen the customer-centric culture and management. In a first phase, these groups, composed of a team

of inter-area executives, were able to reduce the gaps in the main levers of the residential business lines (networks and bottled LPG), thereby addressing the primary causes of complaints.

In addition, the work of the Online Executives, created in 2020, was consolidated in order to provide solutions to commercial end customers, favoring direct contact via telephone, mail and WhatsApp.

Despite the efforts made, the main general satisfaction indicators (NPS and complaints) did not show significant increases. It is possible that they are influenced by the progressive increase in prices (given the rise in the cost of raw materials), which has contributed to a negative perception of the industry as a whole.

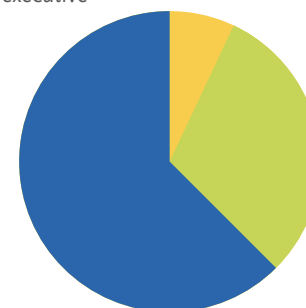
ONLINE EXECUTIVE REPORT LARGE CUSTOMERS July 2020 - December 2021

MEANS OF CONTACT

According to executive report

1,642

65%
WhatsApp



116

4%
Mail

777

31%
Message

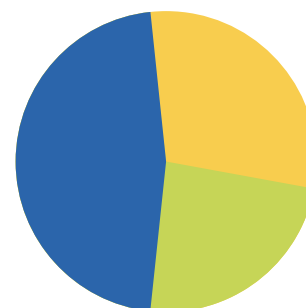
Total contacts 2,535

MEANS OF CONTACT

As marked on the site

2,069

46%
WhatsApp



1,275

29%
Email

1,116

25%
Message to executive

Total contacts 4,460

CUSTOMER SATISFACTION INDICATORS (CHILE)

	2020	2021
Net Promoter Score* (NPS) bottled LPG	51.0%	48.0%
Cylinder claims rate	2.7%	2.8%
Residential bulk claims rate (Number of claims per one thousand orders)	17.0%	21.0%

*NPS is calculated by subtracting the percentage of the company's detractors from the percentage of its promoters.

The next steps include resuming in-person contact with customers in various geographic activities and strengthening the digital relationship.



In Colombia, customer satisfaction surveys are conducted monthly through the Call Center and annually at points of sale, bulk customers, and forklift customers. In the case of Bottled LPG, customer satisfaction remains high in 2021 compared to 2020. Upon addition of completely satisfied and up to level 6, the percentage remains at an adequate level of 83%. In contrast, bulk decreased from 86% to 81%. In this case, specific improvement plans for 2022 were identified. Forklifts demonstrate the highest service levels, which increased from 92% to 93% in 2021.

DIGITAL STRATEGY

In 2021 Empresas Lipigas strengthened its data management capabilities to provide a better service to its customers and add value to its offers. In this regard, the company systematically employed advanced analytics to collect more and better customer data, as well as strengthened its data protection procedures. One of the challenges was to achieve greater penetration of digital channels, both in purchasing and communication. In this context, the number of orders placed through digital channels and customer satisfaction rates continued to increase.

The LipiApp satisfaction rate increased and the optimization of the last-mile logistics process continued.

The trips associated with customers who do not use digital channels were also reinforced, maintaining for them a process with the same characteristics as for the others. Additionally, the Lipipuntos loyalty program was consolidated (see table) and an alliance was formed with CMR Falabella so that Lipigas customers could redeem points in this retail store.

In Colombia, content was developed for the B2B and B2C channels, in each of the networks, in order to increase communication and engagement. In addition, orders for cylinders and requests from new bulk customers were received through these channels.

In Peru, the start-up Mister Gas, which offers an automatic and continuous gas supply service thanks to software that predicts consumption since 2020, was consolidated with 8,000 customers, becoming a recognized innovative option in Lima for the permanent supply of LPG.



DIGITAL STRATEGY IN FIGURES (CHILE)

	2020	2021
Number of digital orders	2,300,000	3,500,000
Percentage of digital orders regarding total Company orders	23%	33%
LipiApp satisfaction index	78%	85%

LIPIPUNTOS – LOYALTY PROGRAM

In 2020, as part of the digital transformation process, Lipipuntos was born as the first loyalty program in the gas industry in Latin America, with the purpose of rewarding customers for their permanence and consumption. Customers enrolled in the program earn points for purchases made through their LipiApp account, according to the amount and type of products they request on a monthly basis. By unlocking the available redemption coupons, they can then redeem their points on any purchase made with their LipiApp account, in the form of a discount; for instance, 7,000 points is equivalent to CLP 8,000 off. As of December 2021, 76% of customers who have purchased through LipiApp have utilized the program's benefits.

IMPROVEMENTS IN LAST-MILE BULK LOGISTICS

	2020	2021
Percentage served	89.0%	93.6%
Volume by truck ton/year	2,025	2,127
Service level	95.2%	98.7%

Improvements in last-mile logistics Direct Sales and LPO.

- Effectiveness: maintained above 95% of the KPI (prepaid orders 98.5%).
- Quality: improved on-time promise fulfillment by 2.4%, despite increased street traffic as a result of less stringent quarantine regulations.
- Average service time was maintained (80% served in <45 min; 85% served in <60 minutes).

Robotization:

- In 2021, 15 new processes were robotized, eight of them impacting customer management, freeing up 3,000 hours of manual tasks.

AVERAGE SERVICE TIME



Average service time served in
<45 minutes



Average service time served in
<60 minutes

DATA PRIVACY

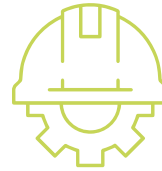
Although Empresas Lipigas has always had procedures and processes in place to ensure the safety of its customers' data, in 2018 the Company initiated a formalization process for its data and cybersecurity management. Therefore, following an evaluation based on the ISO27001 standard, it was decided to create a Data and Cybersecurity Deputy Management area to lead this process in Chile, Peru and Colombia.

This Deputy Management area started its work in 2021 by promoting strategic definitions such as the development of a Cybersecurity Policy, the creation of an awareness program, the management of critical assets, and the design of operational models for their implementation.



In addition, the Data Community was created to promote internal innovation through the participation of more than 50 data analysts, and the use of data lakes was consolidated to understand customer behavior and generate offers that meet their requirements.

Regarding the protection of personal data, all customer information protection procedures were addressed in 2021 and the same will be done in 2022 for collaborators, suppliers and any other personal information found in the company's databases (see page 83). [↗](#)



RESPONSIBLE VALUE CHAIN

When Empresas Lipigas seeks to offer quality employment, it is not only about providing tools and opportunities to its internal collaborators, but also to its entire value chain, treating them with respect and responsibility, as well as contributing to their development. This is because the Company recognizes suppliers and contractors as a vital link in ensuring the continuity of the operation and the Customer Value Proposition.

In this context, the Company's Risk Management and Compliance systems in Chile contribute to the identification of economic, social, environmental, labor, and ethical risks in the value chain. Compliance with Law 20,393 and the Crime Prevention Model is monitored, among other aspects, in all contracts with suppliers and contractors.

Moreover, we assess compliance with labor laws, the Corporate Occupational Health and Safety Policy, and the special Safety and Environmental Regulations for contractors and subcontractors. We also managed compliance with Subcontracting Law 20.123 in 2021. (Labor and Safety).

In Peru, there are anti-corruption clauses, whereas in Colombia, compliance with all legal, environmental, and social standards is validated for potential suppliers and contractors. In addition, all external collaborators' compliance with legal, contractual, and labor obligations is monitored monthly.

FAIR AND RESPONSIBLE TREATMENT

Transparency in bidding and awarding processes: in the case of Chile, all procurement processes are conducted via an external digital platform. Suppliers and contractors of Empresas Lipigas have enrolled in it, and it allows new companies to register as prospective suppliers. Important and highly valued in the context of the pandemic is that by participating in this platform, contractors are visible to all customers using this system, thereby expanding their business relationship with other companies.

Contracts: In 2021, the contract formats in Chile were updated, including the objectives of the service, operating standards, expiration dates, and renewal mechanisms (if applicable), as well as the polynomials for tariff adjustment, as well as the identification of the counterparties in Lipigas to whom any questions can be directed to facilitate the process.

Payment processes: The Company in Chile has a procedure, updated as of July 2021, which regulates the management of payment to all suppliers, where three payrolls are generated on the 10th, 20th and 30th of each month, to ensure the necessary liquidity they require. The

established terms do not exceed 30 days, as required by Chilean Law on Timely Payment. Additionally, a procedure that establishes the maximum terms for the release of purchase orders was developed. Due to the pandemic situation, installation contractors (generally SMEs) with crew systems had their contracts extended, minimum monthly guaranteed payments were established (even if they had no activity) and the payment condition was changed to payment in full at the time of purchase.

Ranking of Best Payers

Empresas Lipigas was recognized as one of the Best Payers in the Energy sector for its commitment to SMEs. The ranking was prepared by the Bolsa de Productos (Commodities Exchange), together with the Chilean Association of Entrepreneurs (ASECH).

In Chile, **100%** of invoices are paid in less than 30 days; in Colombia it is **98%** and in Peru, **90%**.

PAYMENT TERM TO SUPPLIERS (2021)

Percentage of invoices paid according to payment term.

	Chile	Colombia	Peru	
			Limagas GLP	Limagas Natural
Within 30 days	100%	98%	89%	91%
Between 31 and 60 days	0%	2%	11%	9%
More than 60 days	0%	0%	0%	0%

NUMBER AND AMOUNT OF INVOICES BY PAYMENT TERM

	Chile	Colombia			Peru			
					Limagas GLP		Limagas Natural	
	Within 30 days	Within 30 days	Between 30 and 60 days	More than 60 days	Within 30 days	Within 30 days	Between 30 and 60 days	More than 60 days
Number of invoices paid	73,102	49,295	985	14	36,177	4,440	15,827	1,639
Total amount of the value of invoices paid (millions of Chilean pesos)	495,314	54,649	3,645	220	75,952	2,506	16,582	1,585
Total amount of interest for late payment of invoices (in millions of Chilean pesos)*	44	1	0	0	0	0	0	0

* The amount of interest paid or payable for late payment or simple delay for invoices issued during the reported period.

Financial advantages: in 2021 in Chile, agreements and benefits were extended to suppliers to obtain better sources of working capital financing through confirming programs.

Standards of Conduct towards Suppliers: in 2021, a new version of the Special Regulations for Contractors was published in Chile, incorporating all COVID-19 related

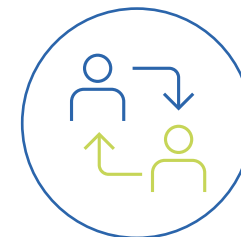
guidelines and focused on the work of Lipigas collaborators with third parties. In addition, within the framework of the Purchasing Policy, General Bases were developed and made available to suppliers. They refer to the Corporate Values, how service execution should be developed, invoicing processes, compliance with labor regulations, guarantees, fines and penalties for non-compliance. In addition they receive the

Code of Conduct and Good Practices. During the period, the safety measures to be applied in the company's facilities and those of its clients were determined in accordance with each process. All of these rules of conduct are reviewed by the Risk Prevention Area and supported in their control by each Contract Administrator or Plant Manager. This has been complemented with training sessions for all user areas (led by the Administration,

Contractor Management, Safety, Quality, Environment and Compliance Managements). In 2021, the development of contractor and supplier conduct standards began.



SUPPLIER EVALUATION



Supplier due diligence process: In Chile, the global intelligence database World-Check One was implemented, which simplifies and accelerates the due diligence process for customers and suppliers; makes it easier to detect money laundering, sanctions and terrorist financing; allows detailed monitoring of relationships and networks of politically exposed persons (PEPs); and can be tailored to identify different third-party risks specifically. During 2021, its use was reinforced for those suppliers and contractors that make up 80% of Empresas Lipigas' invoicing.

Selection and Evaluation of suppliers: Prior to entering into contracts with its suppliers of goods and services, Empresas Lipigas conducts an evaluation based on the following criteria:

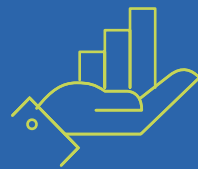
- Legal incorporation and registration in the corresponding registers
- Financial data
- Labor aspects
- Occupational Health and Safety

For foreign suppliers, additional factors are added and audited during the bidding process. Once in the system, the performance of suppliers of strategic supplies such as tanks, cylinders, valves, and regulators is evaluated based on compliance with deadlines, quality of products/services, and level of service rated by users of the respective areas.

Regarding service providers (contractors), there is an area responsible for their total management, to ensure compliance with national regulations and the corporate guidelines of Lipigas. In addition to the traditional annual controls and evaluations in terms of safety and labor variables that are typically developed through the Oval and Asem platforms, KPIs for evaluating commercial performance were defined in 2021 in conjunction with each Business Unit.



Chapter 6



COMPLEMENTARY INFORMATION



OUR BUSINESS

DESCRIPTION OF BUSINESS SCOPE

INDUSTRIAL SECTOR

Empresas Lipigas, with operations in Chile, Colombia, and Peru, provides comprehensive energy solutions based on clean and efficient gas energy (LPG and NG in its different formats). In each of the three countries, the company provides services for residential, commercial, and industrial customers, as well as for vehicle use.

In addition, it participates in the power generation market in Chile, where it commercializes customized solutions to industries and businesses, as well as LPG-based cogeneration projects. After acquiring control of Four Trees Energía Distribuida SpA in September 2021, the company announced its entry into the distributed solar generation business to expand its electricity business in a sustainable manner.

PRODUCTS AND SERVICES

As of December 2021, the company's main product in the three countries in which it operates is liquefied petroleum gas (LPG), which it distributes through two primary channels: bottled (in cylinders) and bulk.

In Chile, its most significant market in terms of sales volume, the company distributes LPG to the residential, industrial, commercial, and automotive sectors. In addition, it distributes natural gas for households, businesses, and cargo transportation, and since 2017 has participated in the electricity business with generation and cogeneration options for industrial and commercial customers in the free market segment.

In Colombia, the Company's main business is the sale and distribution of cylinder-bottled LPG as well, and it also supplies bulk LPG for the industrial, forklift and commercial segments. It also supplies residential customers with LPG and network natural gas.

In Peru, Lipigas commercializes bottled and bulk LPG to homes and businesses and participates in the distribution of compressed natural gas (CNG) and liquefied natural gas (LNG) for industries and the vehicle sector.

At the end of 2021, considering the three countries in which it operates, the Company serves more than 3.7 million customers.

Consolidated LPG sales volume increased by 8.1% in 2021. Despite the ongoing effects of the COVID-19 pandemic in several customer sectors, sales volume was higher than in the previous year. Consolidated sales volume in LPG equivalent tons (including sales of network natural gas, compressed natural gas and liquefied natural gas, converted to tons of LPG on a calorific value basis) increased by 9.4%, with an increase of 18.7% in sales of natural gas in its different formats.





COMPETITION

Lipigas participates in a highly competitive market in the three countries in which it operates, given the large number of competing companies and brands, and the existence of a wide range of substitutes.

In the bottled and bulk LPG business in Chile, the Company competes with large locally-owned competitors including Abastible S.A. (a subsidiary of Empresas Copec) and Gasco GLP S.A. (a subsidiary of Empresas Gasco), all of which have a national presence. In the network natural gas market, it competes with the distributors Metrogas, GasSur, GasValpo/ Energas, Intergas and Innergy. It faces competition in the industrial liquefied natural gas (LNG) market from Gasco, Metrogas, Enel, Engie, Abastible and Copec.

In the case of Colombia, the Company competes mainly with the subsidiaries of the Chilean companies Abastible and Gasco, in addition to 50 other smaller brands.

In Peru, its major competitors in the LPG business are Solgas (a subsidiary of Abastible), Llama Gas, and Zeta Gas, as well as a number of regional and local brands. In natural gas distribution (CNG and LNG), it competes with EGP (Especialistas en Gas del Peru, formerly Clean Energy), Energigas, Gasco, Quavii and Petro Peru.

MARKET SHARE

In Chile, Lipigas has a 34.5% market share for cylinder-bottled LPG as of December 2021 (35.5% in 2020); in Colombia it increased to 15.8% (14.5% in 2020) and to 7.0% in the case of Peru (6.9% in 2020).

Operations in Chile during 2021 contributed 79.5% of the Company's EBITDA (82.8% in 2020), while Colombia and Peru accounted for 12.4% and 8%, respectively (14.7% and 2.5% for 2020, respectively).

BUSINESSES ADJACENT TO ENERGY

Empresas Lipigas is constantly exploring its entry into new activities other than gas, which will allow it to continue growing and contributing to the sustainable development of the countries in which it operates, supported by the logistical and operational capacity acquired over its more than seventy-year history and its vast customer relations experience.

In this context, in 2021 it incorporated new subsidiaries to generate businesses adjacent to the energy industry. Chilco Net was incorporated in Colombia for the purpose of commercializing, operating and/or exploiting all public and private telecommunications services. It incorporated the subsidiary Logística y Desarrollos Digital SpA in Chile in order to explore opportunities that will enable it to maximize its capabilities in these areas. The new entity is purely operational for the Company's businesses.

REGULATORY FRAMEWORK

The Company's principal businesses are regulated by public entities that ensure compliance of the laws, decrees, standards, official documents and resolutions related to the activity, in each of the countries where it operates.

In Chile, the Superintendency of Electricity and Fuels (SEC), which reports to the Ministry of Energy, is responsible for overseeing the operation of electricity, gas, and fuel services with regard to safety, quality, and prices.

In the case of LPG and associated operations, the activity is governed by Decree Supreme No. 108/2013, issued by the same ministry, regarding the safety of storage, transportation, and distribution facilities for this product.

In the case of network gas, the regulatory framework is enshrined in the Gas Services Law (Law No. 20,999/February 2017), which expanded its scope of application to include bulk LPG distribution (individual tanks). In addition to preserving the tariff freedom of gas prices, it contemplates a tariff setting process for concession networks in the event that a company exceeds the maximum

allowed profitability rate, which was set at 9 percent in general and 11 percent for the first 15 years following the construction of the networks. It is the responsibility of the National Energy Commission (CNE), which reports to the Ministry of Energy, to conduct an annual check of the concession companies' profitability to determine if they exceed this threshold.

In addition, the law improved competition among both concession and non-concession gas distribution companies, allowing consumers of gas (natural or LPG) supplied with tanks in buildings, condominiums, and private homes to switch suppliers.

LPG distribution is classified as a residential public service in Colombia. The activity is governed by the Energy and Gas Regulatory Commission (CREG) and overseen by the Superintendencia de Servicios Públicos Domiciliarios (SSPD), which is responsible for ensuring the correct application of tariff formulas.

The regulations of the Ministry of Energy and Mines (MEM) and the Supervisory Agency for Investment in Energy and Mining govern the transportation, distribution,

and commercialization of hydrocarbon products in Peru (Osinergrmin). This entity is the state entity responsible for regulating and supervising compliance with legal requirements by companies in the electricity, hydrocarbons, and mining sectors.

In addition, various bodies in the different countries are responsible for monitoring compliance with tax, environmental, labor, free competition, and corporate regulations, among others. The Company has the procedures and knowledge necessary to comply with applicable laws and avoid penalties and fines. People are trained to avoid contractual and regulatory noncompliance and the controls implemented are continuously reviewed.

CHILE: NEW GAS MARKET REGULATION IN THE LEGISLATIVE PROCESS

The Executive Branch submitted a bill to Congress on January 7, 2022, proposing changes to the regulations governing the liquefied petroleum gas (LPG) and natural gas (NG) markets. The bill proposes three distinct courses of action: the disintegration of the wholesale market in relation to the retail LPG market; the establishment of a detailed procedure for guaranteeing open access to NG networks; and the replacement of the current twelfth provisional article of Law No. 20,999.

The initiative was based on the recommendations of a Gas Market study conducted by Chile's National Economic Prosecutor's Office (FNE), whose report from December 2021 contains the study's findings.

The market study is a tool available to the FNE for identifying potential structural market failures and recommending to the Executive the enactment, modification, or repeal of laws and regulations to improve the competitive conditions of such markets.

ACTIVITIES AND BUSINESSES

OPERATIONS IN CHILE

Chile is the primary market for Empresas Lipigas in terms of revenue and EBITDA. The Company commercializes liquefied petroleum gas (LPG), natural gas through networks (NG), liquefied natural gas (LNG), and electric energy in this country under the Lipigas brand.

LPG COMMERCIALIZATION

Its most relevant business is the sale of LPG, which it distributes nationwide under the Lipigas brand to meet the needs of residential, commercial, industrial, and transportation customers from Arica to Punta Arenas (in Punta Arenas only commercial and industrial bulk gas).

Through a network of 608 distributors and 70 logistics operators (LOP), it supplied more than 2.2 million customers with cylinders of 5, 11, 15, and 45 kilograms of bottled gas in 2021. Additionally, it supplied metered and bulk LPG to over 233 thousand residential customers (with independent tanks at home).

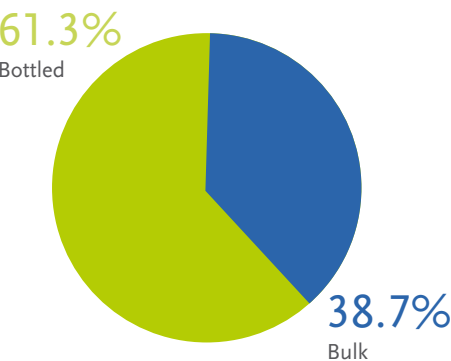
In addition to supplying more than 9,700 commercial and industrial customers with bulk LPG, the company served 3,280 customers with vehicle gas through 43 points of sale.

In Chile, Lipigas has 13 storage and bottling plants and 30 direct delivery stations.

To develop its business, during this period the Company operated 97 bulk trucks, 124 trucks for the distribution of cylinder-bottled LPG and 1,411 pick-up trucks for direct sales. In addition, logistics operators and distributors utilized 650 and 1,041 pick-up trucks, respectively.

In total, in 2021 Lipigas sold 488 thousand tons of liquefied gas in Chile (466 thousand tons in 2020). Of this volume, 61.3% corresponded to bottled LPG and 38.7% to bulk LPG.

LPG SALES DISTRIBUTION – CHILE



At the country level, total industry sales exceeded 1.4 million tons of liquefied gas (1.3 million tons in 2020), according to statistics from the Superintendencia de Electricidad y Combustibles (SEC). Bottled and bulk LPG accounted for 66% and 34%, respectively.

LPG SUPPLY

Because Chile is not a producer of liquefied petroleum gas (LPG) it must import almost all of the LPG it consumes domestically. The Company is primarily supplied for this purpose by sea, through its two port facilities located in the central and northern areas of the country.

In 2021, imports by sea exceeded 325 thousand tons, while imports by land exceeded 54 thousand tons.

MARITIME TERMINALS FOR THE IMPORT OF LPG

Since April 2021, Lipigas has two terminals for the reception, storage and dispatch of LPG, following the commencement of operations of the facilities built on the premises of Oxiquim S.A in the northern port of Mejillones, in addition to those that have existed since 2015 in Quintero, Valparaíso region.

With this second 20-year contract signed in 2019 with Oxiquim, Lipigas expects to directly import 60 thousand tons of LPG annually, increasing the supply security for customers in the northern part of the country. This contract is in addition to the one between the two companies and is for 25 extendable years (beginning 2015), for the use of the Quintero facilities, which have a storage capacity of up to 25 thousand tons of LPG.

NATURAL GAS COMMERCIALIZATION

Regarding the natural gas business through networks, Lipigas develops operations in three cities in the country: since 2004 in Calama (Antofagasta region) in the northern zone, and since the second half of 2017 in Osorno and Puerto Montt (Los Lagos region), in the south. As of December 2021, 210 kilometers of constructed networks allow for the continuous supply of this energy.

In Calama, the Company has over 3,300 active customers, including residences, hotels, healthcare facilities and businesses. At the same time, the number of connected customers exceeds 4,000 in Osorno and Puerto Montt (3,653 customers in 2020).

In consolidated terms, the company commercialized over 5.9 million cubic meters of NG through networks (over 5.7 million m³ in 2020).

In addition, since 2014, it has supplied the industrial sector with liquefied natural gas (LNG), which is transported in tanker trucks to large customers located far from gas networks. During this period, the Company maintained its 20 active customers, located between the regions of Coquimbo and Los Lagos, all of which have a satellite regasification plant (SRP) at their facilities for the reception and

use of the product. Empresas Lipigas is one of the most significant players on the Chilean industrial LNG market as a result of its investments and territorial expansion.

In addition, the LNG refueling station, inaugurated in September 2021, will supply cargo trucks at the facilities of Transportes San Gabriel, in Linares (central Chile), for the operation of 35 trucks specially imported for the AB InBev Chile brewery, becoming the first private network of LNG-powered trucks in the country.

Overall, in this period the company commercialized over 55 million m³ of LNG (over 42 million m³ in 2020).

To develop its natural gas operations through networks and supply to industries, the Company is supplied with LNG through contracts signed with Empresa Nacional del Petróleo (Enap), Engie and Enel, its suppliers as of December 2021.



ELECTRICITY BUSINESS

In 2017, Lipigas formally entered the electricity industry with the launch of its Small Scale DG Power Plant in Concón (Valparaíso region), which injects power into the National Electric System (SEN). The unit, which has a 6 MW capacity and is fueled by natural gas, serves as a backup plant for the local electricity distribution network.

Since then, the Company has provided electricity to free customers (with connected power greater than 500 kW), primarily industrial and commercial customers, with 17 customers and 29 connections at the end of the year. The Company commercialized 121 GWh in 2021.

On the other hand, at the end of September 2021, the Company entered the distributed solar energy business by acquiring 80% of Four Trees, a company that owns 19 photovoltaic solar plants with a total installed capacity of 3.6 MW. These are self-generation plants that provide electricity to industrial and

commercial customers located between the regions of Coquimbo and Ñuble, belonging to various sectors -agricultural, educational and commercial, among others- and that use electricity in their activities.

This acquisition is in line with Empresas Lipigas' strategy to strengthen its electricity business in a sustainable manner, by incorporating a 100% renewable alternative to its portfolio of energy solutions. Through solar self-generation plants built at the customers' facilities, they are able to reduce their electricity costs and, at the same time, obtain certain traceability regarding the renewable source of the energy they consume.

Additionally, during 2021 we have been designing products and platforms to provide residential customers with energy efficiency services, with pilot sales beginning in the first quarter of 2022.





SEGMENT CUSTOMERS

Given the high diversification of products and services offered, there are no customers that individually account for at least 10% of the segment's revenue.

SEGMENT SUPPLIERS

In 2021 Lipigas had 3,173 suppliers of goods and supplies in Chile. Two of them represent at least 10% of the total purchases made in the period for the segment.

OPERATIONS IN COLOMBIA

In Colombia, Lipigas operates through its subsidiary Chilco, with its brands Gas País for the sale and distribution of bottled LPG, bulk and forklifts; Pipegas for the commercialization of bottled gas in the area of Urabá Antioqueño; Rednova and Surgas for the distribution of gas through networks to residential customers; and Gas Amigo, for the supply of bottled LPG, bulk and forklifts in the center of the country.

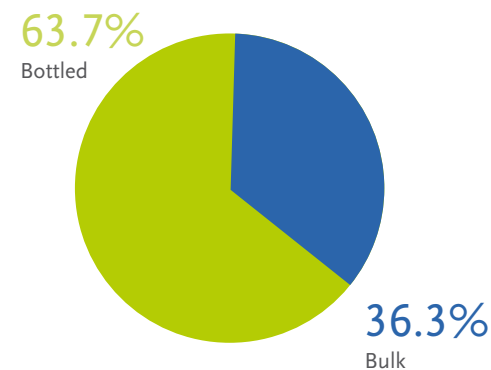
With the coverage achieved in 2021, Chilco and subsidiaries cover 94% of the total number of departments in Colombia.

At the country level, the residential segment accounts for the largest consumption of LPG (over 70%), followed by the industrial, commercial, and other sectors. Additionally, the product is expanding to include new markets like cargo transportation and large-scale industrial applications, such as thermoelectric power plants. In recent years, the government has worked to ensure supply, increase demand, and control informality in this industry.

LPG COMMERCIALIZATION

In line with the above, most of the Company's operations in Colombia are focused on the residential market. In 2021, it supplied cylinder-bottled LPG to over 562 thousand customers in this segment, an increase of 18% regarding the previous year (476 thousand as of December 2020).

LPG SALES DISTRIBUTION – COLOMBIA



In addition, it served 13 thousand commercial customers with bottled and bulk LPG (3,000 customers more than in 2020) and 861 large industrial and forklift customers.

In terms of gas sales through the network, the Company supplied the needs of more than 109 thousand customers.

In this period, Chilco acquired the operation of Gas Amigo, with coverage in more than 140 municipalities and an average volume of 12 thousand tons of LPG, which it distributes via the bottled, bulk and forklift channels.

Additionally, the company continued to grow in the department of Nariño, located in the southwest of the country (on the border with Ecuador).

In 2021 Chilco commercialized more than 113,000 tons of LPG (98 thousand tons in 2020). Of this volume, 63.7% corresponded to cylinder-bottled LPG and the remaining 36.3% to bulk LPG.

To develop this service, it operated a network of 184 distributors, more than doubling the number in 2020 (83 distributors) and 2,779 points of sale and 337 more than in 2020. Simultaneously, a fleet of 492 vehicles (110 more than in the previous year), was utilized, consisting of 459 delivery vans for cylinder-bottled LPG and 33 bulk trucks.

In Colombia, Lipigas has 19 storage and bottling plants, 17 warehouses established in different parts of the country, and 1 import terminal located in the city of Cartagena.

The company is ISO 9001:2015 certified, the international standard that regulates Quality Management Systems (QMS) and complies with the Technical Regulations of the Ministry of Mines and Energy for the operation of storage and bottling plants, warehouses, and LPG points of sale.

SUPPLY

Regarding the supply of raw materials, 98% corresponded to local purchases, with Ecopetrol S.A. -the largest LPG producer in the country, from its Cusiana, Barrancabermeja, Cartagena and Cupiagua fields-; TYGAS, Frontera, Almagas and Comercializadora Centro Oriente as its main LPG suppliers in 2021. The remaining 2% of the supply corresponded to imports by sea from the Gulf of Mexico.

Ecopetrol is the largest oil company in Colombia. It is a mixed-ownership company whose largest shareholder is the Ministry of Finance and Public Credit. Ecopetrol participates in all links of the hydrocarbon supply chain: exploration, production, transportation, refining, and commercialization. It has a port with the capacity to handle 4,000 tons per month in Cartagena, on the Caribbean coast. Through the establishment of purchase quotas, it satisfies the vast majority of LPG demand from distribution companies.

Chilco participates in a second import terminal in the same city, which is owned by the "G5" consortium, which consists of the five largest LPG market players, including Chilco, and has the capacity to handle up to 6,000 tons per month.

NATURAL GAS COMMERCIALIZATION

Through the subsidiary Surgas, the Company sells and distributes natural gas through networks for the residential segment. In this period it served more than 76 thousand customers, with a sales volume of 7.9 million m³ (in the order of 8.2 million m³ in 2020).

SEGMENT CUSTOMERS

In 2021, there are no customers that individually account for at least 10% of the segment's revenue.

SEGMENT SUPPLIERS

Regarding the supply of goods and services, a supplier represents individually at least 10% of the total purchases made in the period.



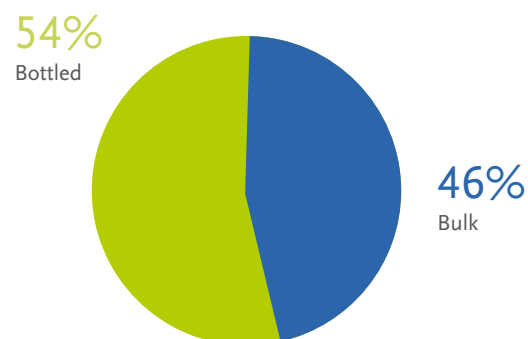
NEW BUSINESSES IN COLOMBIA

In November 2021, Lipigas announced the creation of Chilco Net in Colombia for the commercialization, operation and/or exploitation of all kinds of public or private telecommunications services. Through the new subsidiary, the Company will explore this market to offer high-speed internet service in small and medium-sized cities in the interior of the country. This, as a complementary line to the provision of gas by network, boosting it with its current customer base.

Lipigas identified this new business opportunity because, although internet penetration in Colombia has increased in recent years, there is still room for further growth. The service is present in 48% of households in the country, but in small towns it does not exceed 20%.

Lipigas' decision to enter this market responds to the need to adapt to a new scenario that is full of challenges and opportunities not only for its core business, gas, but also for the development of new businesses. In this context, the company is constantly exploring industries that will allow it to continue growing, supported by its logistical and operational capabilities and knowledge of its customers.

LPG SALES DISTRIBUTION – PERU



OPERATIONS IN PERU

In Peru, the Company mainly commercializes bottled and bulk LPG under its Lima Gas, Caserito and Zafiro brands for the residential, commercial, industrial and vehicle segments. It also participates in the natural gas business, in its CNG and LNG formats, for industrial and automotive customers, through Limagas Natural.

LPG COMMERCIALIZATION

LPG is the main source of energy for Peruvians, reaching some 10 million households. In the industrial segment, it has become a relevant player for several companies that are far from natural gas networks and have decided to migrate towards cleaner and more efficient energies.

Among them is the Arequipa-based Colibrí mining company, which in 2020 became the first mining concession in the country to generate electricity using LPG. The management of this project has allowed the company to identify new opportunities for the use of this fuel, so it is exploring the possibility of entering with this service into another cluster formed by medium-sized mining companies in the regions of Arequipa and Puno, which have a high demand for energy.

During 2021, the Company commercialized 139 thousand tons of LPG (121 thousand tons in 2020) through its subsidiary Lima Gas. Of this volume, 54% corresponded to cylinder-bottled LPG and 46% to bulk gas.

With coverage encompassing 63% of the country's departments and a network of 451 distributors nationwide, in this period it supplied 581,601 residential customers with cylinder-bottled LPG (595,830 in 2020) and 551 businesses with cylinder bottled LPG (464 in 2020). In the case of bulk LPG, it served 1,306 customers (1,382 in 2020), including commercial and large industrial customers and forklifts.

To develop its service, the subsidiary used 90 delivery vans and 25 bulk trucks.

In terms of infrastructure, Lima Gas has eight bottling plants and one distribution center located in the city of Tacna, which provides it with significant logistical capacity to supply LPG to customers. Seven of its plants - Piura, Trujillo, Arequipa, Callao, Juliaca, Chiclayo and Ica - are certified under the ISO45001 Occupational Health and Safety standard.

As of December 2021, its main sources of raw material supply for LPG are PlusPetrol Peru Corporation S.A., PetroPeru and YPFB.

NATURAL GAS COMMERCIALIZATION

Through its subsidiary Limagas Natural, the Company distributes CNG to industries (far from gas pipelines and networks) and service stations, and LNG to high consumption customers.

It has two compression plants of its own, located in Nasca (Ica) and Lurín (Lima), which enable it to cover the center and south of the country. These units process the gas for subsequent transportation in trailers that store the product for consumption by users. Both are certified under the ISO45001 standard. Starting in 2022, the company expects to cover the northern part of the country with its new plant in Talara, currently under construction.

In 2021 it commercialized more than 60 million cubic meters of CNG (48.6 million in 2020) and served 26 customers (25 in 2020). 77% of this volume was destined for the industrial sector, while 23% was destined for automobile fueling stations.

In terms of LNG distribution, the company sold 14.6 million cubic meters this year (16.6 million m³ in 2020).

To develop its service, it used 85 semi-trailers (carts): 63 to serve industries and 22 to deliver the service to vehicle customers (no variation with respect to 2020).

At the end of 2021, a second natural gas vehicle (NGV) refueling station based on LNG was inaugurated in the district of San Sebastián, province of Cusco, which will especially benefit cab drivers in the area. This unit is in addition to the one inaugurated in December of 2020 in the same city, thanks to a collaboration between Limagas Natural with the Camisea Consortium and the Regional Government of Cusco. This project was carried out thanks to LNG technology, which allows it to transport large volumes of natural gas via trucks and reach different locations in the country without using pipelines.

Additionally, at the end of 2021 Limagas Natural inaugurated the first natural gas regasification plant in the Peruvian jungle, located in the province of Rioja, San Martín region. The unit was installed in the facilities of Cerámicos DETT (a company dedicated to the manufacture of industrialized bricks), becoming the first industry in the area to use NG for its production.

In this way, the Company took a step forward in its plan to expand its natural gas supply service in northeastern Peru, where it is evaluating other similar projects in the same region, such as an LNG refueling station for cargo trucks and intercity buses.

SUPPLY

Calidda and Contugas are its main natural gas suppliers, Shell and Quavii for LNG.

SEGMENT CUSTOMERS

In 2021, no single customer accounts for at least 10% of the segment's revenue.

SEGMENT SUPPLIERS

In terms of the supply of goods and services, one supplier individually represents at least 10% of the total purchases made in the period.

PRINCIPAL ASSETS



Empresas Lipigas has the necessary resources to develop its activity throughout Chile, for the different customer channels, maintaining and making the necessary investments, not only in the traditional business of cylinder-bottled LPG, but also in the bulk market, natural gas, and others that have been added in recent years, in order to provide its service in accordance with regulatory requirements and utilizing existing technology.

Listed below is a breakdown of the principal assets for the Chilean operation:

Cylinders: Correspond to the containers used by the Company to sell and distribute bottled LPG. These are owned by Lipigas, and it is the Company's responsibility to manage them in accordance with the current conditions and regulations that allow their safe use by customers.

Supply networks: are constructions made in third-party installations that have the purpose of supplying several customers.

Tanks: Containers used by the Company for the storage of LPG in the plants and for distribution to customers who consume bulk LPG. The Company owns these assets and is responsible for disposing of them in accordance with current conditions and regulations that allow their safe use by customers. The delivery of these assets to customers is documented by loan-for-use agreements signed between both parties.

Land: Empresas Lipigas has different types of land and properties that allow it to develop its activities. It is in these places where plants, offices, distribution centers and warehouses have been located throughout the country.

Buildings and constructions: These assets correspond to constructions of civil works of buildings and facilities carried made on their own plants and centers, which are located from Arica to Coyhaique. The main bottling and storage plants are located in:

- Concón Plant: Calle 2 Norte 200, Concón, Province of Valparaíso.
- Maipú Plant: 401 Cerro Sombrero Street, Maipú, Santiago.

Machinery and equipment: These are the company's production and storage assets for LPG. This primarily includes bottling carousels, palletizing systems and equipment, plant networks, emergency equipment, etc.

Natural Gas (NG) networks and equipment: These are the company's NG distribution process-related assets. This concept primarily consists of structuring networks, a satellite regasification plant, a pressure regulation station, and meters.

Assets under finance lease: Marine terminals consisting of LPG reception, storage and dispatch facilities, which are located in the Quintero Bay (Valparaíso region) and Mejillones (Antofagasta region).

As a result of the expansion plan originated by the exploration of new markets, the Empresas Lipigas group owns in its subsidiaries in Colombia and Peru, facilities and equipment, focusing mainly on cylinders, tanks and production plants.

Listed below are the principal assets for its operations in Colombia and Peru:

Cylinders: These are the containers used for the sale and distribution of bottled LPG. These assets are the property of each subsidiary, and it is their responsibility to dispose of them in accordance with current conditions and regulations that allow their safe use by customers.

Tanks: These assets are containers used for the storage and distribution of LPG to customers who purchase it in bulk format. These assets are the property of the subsidiaries, and it is their responsibility to dispose of them in accordance with current conditions and regulations that allow their safe use by customers.

Land: The operations in Colombia and Peru have land and properties to develop their activities where plants and offices are located, distributed throughout both countries.

Buildings and constructions: These assets correspond to constructions of civil works of buildings and installations made on the Company's own plants.

Supply networks: These are the constructions carried out in third-party facilities for the purpose of supplying LPG to several clients.

Natural Gas (NG) networks and equipment: These are the assets used by the Company in the NG distribution process. This concept includes, mainly, structuring networks, satellite regasification plants, pressure regulation stations and meters.

The main bottling plants in Colombia are located at:

- Calle 18A # 50-98 Bogotá, D.C. and Bermejál Corregimiento de Mulaló, Yumbo (Valle).

The main bottling plants in Peru are located at:

- Calle A 149 Zona 7 Fundo Bocanegra, Constitutional Province of Callao and in Urbanización Taparachi Mz. D Lote 15-D, Juliaca, Puno Region.

The main natural gas plants in Peru are located at:

- Carretera Panamericana Sur Km. 455.30 Sector Pampa del Inca, Nasca.
- Sancho de Rivera Bravo de Laguna N° 1026, Cercado, Lima.
- Lurín Calle 3 Manzana C, Lot 4, Urb. Las Praderas de Lurín, Lima.

Machinery and equipment: These assets are those used by the subsidiaries in the LPG production and storage process. The main assets correspond to bottling plant equipment and tanks. There are also reduction, pressure control and hydraulic units for the natural gas business in Peru.

Vehicles: These assets correspond to tank trucks (bulk), gas transport mule tract, cylinder transport mule tract, cylinder delivery trucks. As well as transport units for the natural gas business in Peru.

Liquefied natural gas (LNG) regasification plants: These are the assets used by the Company in the liquefied natural gas distribution process. This concept includes mainly networks, vaporizers and tanks.

Assets under finance lease: Corresponds to transportation equipment, computer and communication equipment, machinery and equipment.



CORPORATE GOVERNANCE, MANAGEMENT AND ORGANIZATION

BOARD OF DIRECTORS

The Board of Directors of Empresas Lipigas is composed of seven directors and an equal number of alternate directors. In accordance with Law No. 18,046 on Chilean Corporations and the Company's bylaws, the duration of the position is for a maximum period of three years, and they may be re-elected indefinitely in their functions.

The current Board of Directors was elected at the General Shareholders' Meeting held on April 22, 2020 and as of December 31, 2021 was composed of the following people:

DIRECTORS

Name	CHILEAN TAX ID NO.	Profession
Juan Manuel Santa Cruz Munizaga (Chairman)	7.019.058-3	Civil Engineer
Jaime García Rioseco (Vice Chairman)	5.894.661-3	Economist
Juan Ignacio Noguera Briceño	7.022.714-2	Attorney at law
Mario Vinagre Tagle	7.171.058-0	Business Administrator
Jaime Santa Cruz Negri	6.861.742-1	Industrial Civil Engineer
Francisco Courbis Grez ⁽¹⁾	6.640.456-0	Mechanical Civil Engineer
José Miguel Barros Van Hovell Tot Westerfler	9.910.295-0	Business Administrator

⁽¹⁾ On March 16, 2022, Francisco Courbis Grez resigned from the Board of Directors of Empresas Lipigas. He was replaced by his alternate director, Ignacio Binimelis Yaconi.

ALTERNATES

Name	CHILEAN TAX ID NO.	Profession
Cristián Neely Barbieri	7.039.098-1	Civil Engineer
Tina Rosenfeld Kreissemer	14.644.931-K	Business Administrator
Bernardita Noguera Briceño	7.031.947-0	Agronomist
Esteban Vinagre Tagle	10.366.648-1	Business Administrator
Rosario Navarro Betteley	12.720.922-7	Graduate in aesthetics
Ignacio Binimelis Santa Cruz	15.376.697-5	Sociologist
Gerardo Varela Alfonso	6.356.972-0	Attorney at law

The Chairman of the Board of Directors does not hold an executive position within the Company.

COMPENSATION OF THE BOARD OF DIRECTORS

Directors receive compensation in the form of monthly income. Compared to the previous year, the amounts received for this item as of December 31, 2021 are as follows:

DIRECTOR	COMPENSATION 2021 (CLP)	COMPENSATION 2020 (CLP)
Juan Manuel Santa Cruz Munizaga	72,000,000	72,000,000
Jaime García Rioseco	48,000,000	48,000,000
Ignacio Noguera Briceño	48,000,000	48,000,000
Mario Vinagre Tagle	48,000,000	48,000,000
Jaime Santa Cruz Negri	48,000,000	48,000,000
José Miguel Barros van Hovell tot Westerfler	48,000,000	48,000,000
Francisco Courbis Grez	48,000,000	36,000,000 ⁽¹⁾
Felipe Baraona Undurraga	-	12,000,000 ⁽²⁾

⁽¹⁾ Becomes a member in April 2020.

⁽²⁾ Completes his term in April 2020.

Salary gap in the Board of Directors

There is no salary gap in the Board of Directors.

DIRECTORS' COMMITTEE

The Company's Directors' Committee was voluntarily established on July 16, 2013. Its purpose is to examine matters within its competence as established by Law No. 18,046 on Chilean Corporations and any other matters entrusted to it by the Shareholders' Meeting or the Board of Directors, as the case may be.

As of December 2021, the members of the Directors' Committee are Jaime García Rioseco, who acts as Chairman of the Committee; José Miguel Barros Van Hovell Tot Westerfler and Mario Vinagre Tagle.

During the year, there are no advisors hired by the Company's Directors' Committee.

Management Directors' Committee

During the year, the Directors' Committee met to review the activities of Internal Audit and matters within its competence, focusing on those defined as priorities for the Company, such as the safety of people and facilities, ethics and compliance and cybersecurity. In order to safeguard the health of workers, operational continuity, and compliance with regulations in the context of the health situation that was again maintained throughout 2021, special monitoring of the pandemic's effects was added.

COMPENSATION OF THE DIRECTORS' COMMITTEE

DIRECTOR	2021 COMPENSATION (CLP)	2020 COMPENSATION (CLP)
Jaime García Rioseco	16,800,000	16,800,000
José Miguel Barros Van Hovell Tot Westerfler	16,800,000	16,800,000
Mario Vinagre Tagle	16,800,000	16,800,000

Directors' Committee Management Report available at www.lipigas.com ↗

In addition, the Company has two other Committees composed of directors, executives and external advisors. These are the Transformation Committee and the Electric Committee, made up as follows:

TRANSFORMATION COMMITTEE

Ángel Mafucci S.	General Manager
Morris Pessó O.	Business Transformation Manager
Juan Manuel Santa Cruz M.	Director
Jaime Santa Cruz N.	Director
Ignacio Noguera B.	Director
Paola Assael	Advisor
Tina Rosenfeld	Advisor
Rosario Navarro	Advisor

ELECTRIC COMMITTEE

Ángel Mafucci S.	General Manager
Valerie Barnich	Electric Business Manager
Mario Vinagre T.	Director
Jaime Santa Cruz N.	Director
Antonio Colino	Advisor
Tina Rosenfeld	Advisor



PRINCIPAL OFFICERS

The main officers of the company and their respective positions, as of December 31, 2021, are as follows:

Name	Chilean Tax ID No.	Location	Position	Profession	Start date of position
Ángel Mafucci Solimano	5.559.689-1	Chile	General Manager	Business Administrator	05-01-2007
Osvaldo Rosa Ageitos	14.734.144-K	Chile	Administration and Finance Corporate Manager	Bachelor's Degree in Business Administration and Public Accountant	11-05-2012
José Miguel Bambach Salvatore	7.010.468-7	Chile	Legal Manager	Attorney at law	11-14-2011
Alberto Orlandi Arrate	12.232.355-K	Chile	Commercial Manager	Business Administrator	04-01-2014 ⁽¹⁾
Esteban Rodríguez Bravo	10.390.470-6	Chile	Large Clients Manager	Industrial Civil Engineer	01-01-2013 ⁽²⁾
Valerie Barnich	14.642.201-2	Chile	Power Business Manager	Industrial Civil Engineer	03-01-2020
Jorge Avilán Aristizábal	16.662.018	Colombia	General Manager Chilco	Industrial Engineer	06-26-2012
Patricio Mura Escobar	13.230.262-6	Peru	General Manager Lima Gas	CPA	03-01-2019
Pablo Saenz-Laguna Saavedra	15.593.123-K	Peru	General Manager Limagas Natural	Industrial Civil Engineer	03-01-2020
María Josefa Ayarza León	7.069.797-1	Chile	Digital Factory Manager	Bachelor of Science in Computer Engineering	09-01-2019
Morris Pessó Olcese	12.659.601-4	Chile	Business Transformation Manager	Industrial Civil Engineer	03-01-2020
Mylene Iribarne Friedmann	8.540.774-0	Chile	People Manager	Psychologist	09-03-2001
Vladimir Monardes Valdivia	8.427.160-8	Chile	Safety, Risk Prevention and Environment Manager	Industrial Civil Engineer	03-01-2019
Mariela González Palacios	12.062.659-0	Chile	General Manager Trading de Gas	Industrial Civil Engineer	04-01-2021 ⁽³⁾
Andrés Riquelme Pinto	15.069.633-K	Chile	Operations and Distribution Manager	Industrial Civil Engineer	10-01-2021 ⁽⁴⁾

⁽¹⁾ As of January 1, 2022, Alberto Orlandi Arrate has been Manager of LPG Chile.

⁽²⁾ As of January 1, 2022, Esteban Rodríguez Bravo becomes Manager of Green Hydrogen and Biofuels.

⁽³⁾ Mariela González Palacios replaces Luis Felipe Silva Labbé, who left the position on March 31, 2021.

⁽⁴⁾ Andrés Riquelme Pinto replaces Jesús Rodríguez Valiña, who left the position on September 30, 2021.

Compensation principal officers

Compared to the previous fiscal year, remuneration received by the principal officers during 2021 was:

Type of income	12.31.2021 M\$	12.31.2020 M\$
Fixed income	2,098,184	2,071,307
Variable income	544,346	678,835
Total Income	2,642,530	2,750,142

Compensation plans for principal officers

The Company maintains an annual incentive plan with a group of its officers from the different countries where it operates, which relates to the generation of results for the period. This plan involves the payment of a bonus to selected officers who remain employees of the Company as of December 31st of each year, the amount of which depends on the results obtained and the growth of the company's EBITDA value in each period.

Personnel

Considering the three countries where operations are developed, the Company's direct personnel reached 2,280 people as of December 2021. The following is the distribution by type of position:

Type of position	Direct personnel 2021
Executives	23
Professionals and technicians	992
Others	1,265
Total	2,280

Participation of principal officers and directors in company ownership

Name	Shares 2021	Percentage	Shares 2020	Percentage	Vehicle
Jaime García Rioseco	650,000	0.57%	650,000	0.57%	Sociedad de Inversiones Río Claro
José Miguel Barros Van Hovell Tot Westerfler	190,133	0.17%	190,133	0.17%	Inversiones Carpe Futurum Ltda.
Ángel Mafucci Solimano	57,324	0.05%	57,324	0.05%	N/A
Osvaldo Rosa Ageitos	12,193	0.01%	12,193	0.01%	N/A

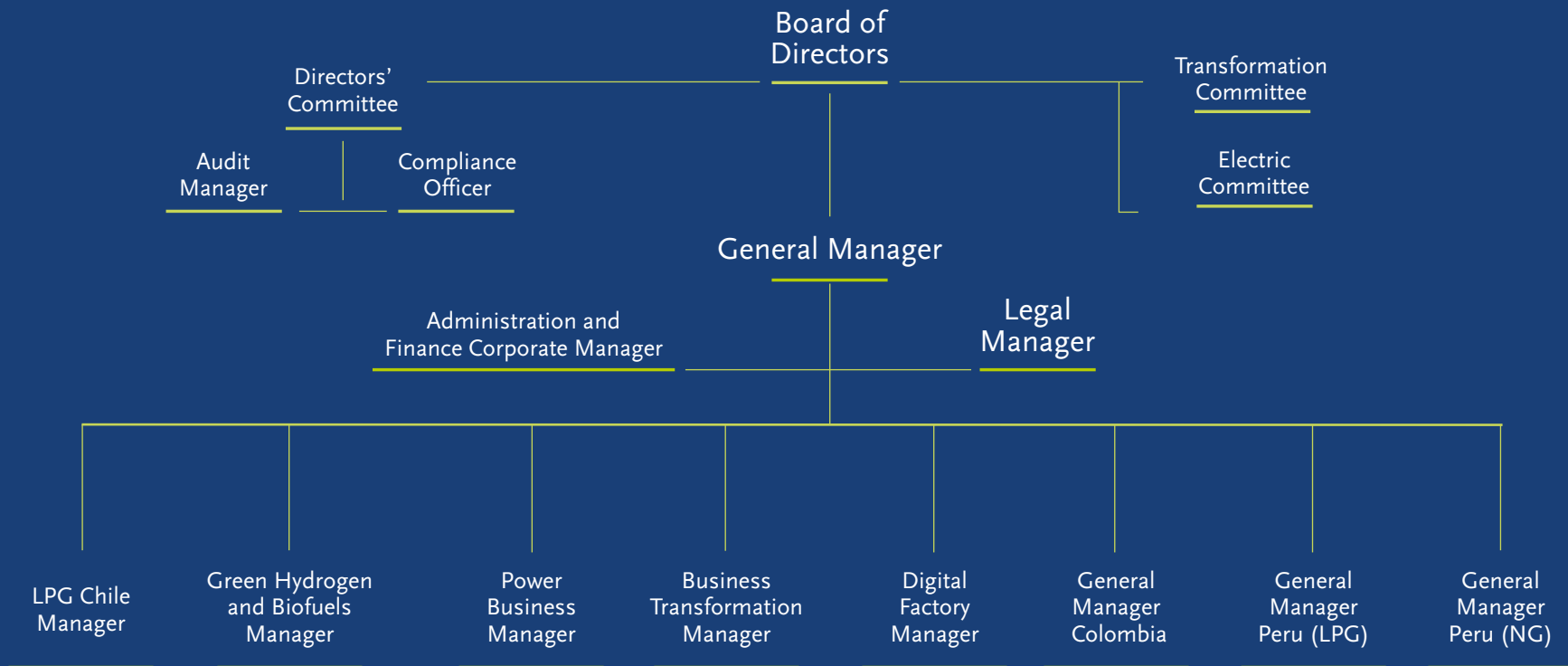
ORGANIZATION

As of January 1, 2022, Empresas Lipigas changes its structure in its main operation with the creation of the LPG Chile Management area, from which all the functional managements that allow the development of the liquefied gas business, both cylinder-bottled and in bulk, will depend.

The Green Hydrogen and Biofuels Management area is also created, and the Electric Business Management area begins consolidating its structure with a view towards the company's sustainable growth.



ORGANIZATIONAL CHART



DIVERSITY IN THE ORGANIZATION

Diversity of managers

The composition of the 15 managers comprising the Executive Team of Empresas Lipigas as of December 31, 2021 is as follows:

Number of managers by gender (2021)

Men	Women
11	4

Number of managers by nationality (2021)

	Men	Women	Total
Chilean	9	3	12
Argentine	1	0	1
Colombian	1	0	1
Belgian	0	1	1

Number of managers by seniority in office (2021)

	Men	Women	Total
Less than 3 years	8	2	10
Between 3 and 6 years	0	0	0
Between 6 and less than 9 years	2	0	2
Between 9 and 12 years	1	0	1
More than 12 years	1	1	2

Diversity in the entire organization

Considering the executive team mentioned above, the gender distribution by country is as follows:

Number of people by gender (2021)

	Men	Women	Total
Chile	622	285	907
Colombia	816	215	1,031
Peru	274	68	342

Additionally, the distribution by nationality, age range, years of seniority, divided by gender, by country is as follows:

Number of people by nationality (2021)

	Men	Women	Total
CHILE	564	253	830
Others	47	28	77
COLOMBIA	816	215	1,031
Others	0	0	0
PERU	271	68	339
Others	3	0	3

Number of managers by age range (2021)

	Men	Women	Total
Younger than 30 years old	0	0	0
Between 30 and 40 years old	1	0	1
Between 41 and 50 years old	7	1	8
Between 51 and 60 years old	1	2	3
Between 61 and 70 years old	2	1	3
Older than 70 years old	0	0	0

Number of people by age range (2021)

CHILE	Men	Women	Total
Younger than 30 years old	66	25	91
Between 30 and 40 years old	258	127	385
Between 41 and 50 years old	174	80	254
Between 51 and 60 years old	86	43	129
Between 61 and 70 years old	38	10	48
Older than 70 years old	0	0	0
COLOMBIA			
Younger than 30 years old	185	97	282
Between 30 and 40 years old	282	75	357
Between 41 and 50 years old	208	36	244
Between 51 and 60 years old	119	5	124
Between 61 and 70 years old	22	2	24
Older than 70 years old	0	0	0
PERU			
Younger than 30 years old	65	22	87
Between 30 and 40 years old	119	27	146
Between 41 and 50 years old	57	16	73
Between 51 and 60 years old	28	1	29
Between 61 and 70 years old	5	2	7
Older than 70 years old	0	0	0

Number of people by seniority in the company (2021)

CHILE	Men	Women	Total
Less than 3 years	147	69	216
Between 3 and 6 years	194	91	285
More than 6 and less than 9 years	63	28	91
Between 9 and 12 years	64	23	87
More than 12 years	154	74	228
COLOMBIA			
Less than 3 years	475	133	608
Between 3 and 6 years	134	50	184
More than 6 and less than 9 years	160	21	181
Between 9 and 12 years	47	11	58
More than 12 years	0	0	0
PERU			
Less than 3 years	110	24	134
Between 3 and 6 years	71	24	95
More than 6 and less than 9 years	45	8	53
Between 9 and 12 years	28	4	32
More than 12 years	20	8	28

Number of people with disabilities (2021)

	Men	Women
Chile	5	2
Colombia	1	0
Peru	0	0

Women in leadership and executive positions (2021)

	Chile	Colombia	Peru
% of women in leadership positions	26%	35%	20%
% of women in executive positions (management and second line management)	27%	40%	0%

Salary gap

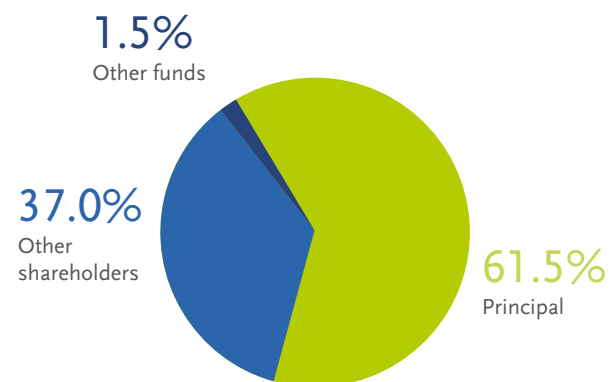
Type of position	Chile	Colombia	Peru	
			Lima Gas GLP	Limagas Natural
Executives	-6	-14	n/a	n/a
Headships	+2	-8	-10	+4
Staff	+21	+1	-16	+11
Workers	-12	+6	n/a	n/a

OWNERSHIP AND SHARES

CONTROL SITUATION

Empresas Lipigas S.A is a publicly traded company made up of 108 shareholders. Since 2020 it no longer has a controller and as of December 31, 2021 the ownership percentage of the Company's shareholders is as follows:

OWNERSHIP PERCENTAGE OF SHAREHOLDERS



SIGNIFICANT CHANGES IN OWNERSHIP OR CONTROL

During the fiscal year ended December 31, 2021 there were no significant changes in the company's ownership or control.

IDENTIFICATION OF PRINCIPAL SHAREHOLDERS

NAME OR CORPORATE NAME	RUT (CHILEAN TAX ID NO.)	TOTAL OWNERSHIP
EL CONDOR COMBUSTIBLE S.A.	77.490.500	13.73%
INVERSIONES HEVITA S.A.	96.769.930	12.32%
INVERSIONES Y RENTAS BERMEO LTDA.	96.930.660	10.78%
NOGALEDA HOLDING SpA	94.322.000	9.96%
LARRAIN VIAL S.A CORREDORA DE BOLSA	80.537.000	9.27%
SAN JAVIER COMBUSTIBLES S.A.	96.930.650	8.90%
NOGALEDA INMOBILIARIA Y COMERCIAL S.A.	96.992.300	7.29%
INVERSIONES VINTA LTDA.	77.794.780	6.84%
NEXOGAS S.A.	96.932.720	3.98%
NEWCO INVERSIONES SEIS LIMITADA	77.303.557	3.54%
INVERSIONES EL ESCUDO LTDA.	76.126.312	3.27%
BANCHILE CORREDORES DE BOLSA S.A.	96.571.220	1.50%

1. EL CÓNDOR COMBUSTIBLES S.A

The owners of El Cóndor Combustibles S.A. are as follows, with the percentages indicated for each of them: Santa Cruz López, Manuel, RUT 1.883.108-2, holding 0.040681%; Santa Cruz Munizaga, Juan Manuel, RUT 7.019.058-3, holding 19.318109%; Campaña Goycoolea, María Teresa, RUT 7.053.663-3, holding 0.000038%; Santa Cruz Munizaga, Claudia Francisca, RUT 7.019.060-5, holding 19.250264%; Santa Cruz Munizaga, Carolina Patricia, RUT 7.019.059-1, holding 11.530567%; Del Sol Santa Cruz, Fernando Andrés, RUT 15.639.954-K holding 1.557516%; Del Sol Santa Cruz, Carolina, RUT 15.960.517-5 holding 1.557516%; Del Sol Santa Cruz, Samuel RUT 17.083.868-8 holding 1.557516%; Del Campo Santa Cruz, Exequiel, RUT 20.165.357-6 holding 1.557516%; Del Campo Santa Cruz, Juan José, RUT 20.082.564-K holding 1.557516%; Munizaga Barrales, Carolina, RUT 4.106.946-5, holding 8.525291%; González Santa Cruz, Nicolás Bernardo, RUT 16.208.457-7, holding 0.016971%; González Santa Cruz, Antonia, RUT 17.084.325-8, holding 0.016971%; González Santa Cruz, Josefina Francisca, RUT 17.408.803-9, holding 0.016971%; González Santa Cruz, Diego José, RUT 18.021.658-8, holding 0.016971%; De Osma Berckemeyer Carmen, RUT 10.224.475-9, holding 3.347725%; De Osma Berckemeyer

Sebastián, Peruvian DNI 43.151.460-1, holding 10.043174%; Santa Cruz De Osma, María Gracia, Peruvian DNI 70.465.134-7, holding 10.043174%; and Santa Cruz De Osma, Paloma, Peruvian DNI 70.465.133-9 holding 10.043174%.

2. INVERSIONES HEVITA S.A.

The owners of Inversiones Hevita S.A are as follows, with the percentages indicated for each of them: (A) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 0.72%; (B) Vinagre Tagle, Mario, RUT 7.171.058-0, holding 0.35%; (C) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.35%; (D) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.35%; (E) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.35%; (F) Inversiones Marvin S.A., RUT 96.547.530-3, holding 20.94%, whose owners are: (i) Inversiones Marte SpA, RUT 87.144.000-K, holding 99.6%, whose owners are: (a) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 26.86%; (b) Tagle Avilés, Teresa, RUT 3.633.089-9, holding 3.27%; (c) Vinagre Tagle, Mario, RUT 7.171.158-0, holding 0.65%; (d) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.65%; (e) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.65%; (f) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.65%; and (g) Inversiones Vinta Limitada, RUT 77.794.780-K, holding 67.27%, whose owners are: Vinagre Tagle, Mario, RUT 7.171.058-0,

holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; and Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%; and (ii) Cañas Alemparte, Manuelita, RUT 7.011.707-K, holding 0.4%; (G) Inversiones Marte SpA, RUT 87.144.000-K, holding 54.12%, whose owners are: (a) Vinagre Muñoz, Mario, RUT 3.803.145-7, holding 26.86%; (b) Tagle Avilés, Teresa, RUT 3.633.089-9, holding 3.27%; (c) Vinagre Tagle, Mario, RUT 7.171.158-0, holding 0.65%; (d) Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 0.65%; (e) Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 0.65%; (f) Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 0.65%; and (g) Inversiones Vinta Limitada, RUT 77.794.780-K, holding 67.27%, whose owners are: Vinagre Tagle, Mario, RUT 7.171.058-0, holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; and Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%.

3. INVERSIONES VINTA LIMITADA

The owners of Inversiones Vinta Limitada are as follows, with the percentages indicated for each of them: Vinagre Tagle, Mario, RUT 7.171.058-0, holding 25%; Vinagre Tagle, Juan Ignacio, RUT 7.180.550-6, holding 25%; Vinagre Tagle, Pablo, RUT 7.180.551-4, holding 25%; and Vinagre Tagle, Esteban, RUT 10.366.648-1, holding 25%.

4. INVERSIONES Y RENTAS BERMEO LIMITADA

The owners of Inversiones y Rentas Bermeo Limitada are as follows, with the percentages indicated for each of them: (A) Santa Cruz Negri, Pola María Pía, RUT 6.377.432-4, holding 0.626%; (B) Santa Cruz Negri, Jaime Fernando, RUT 6.861.742-1, holding 0.627%; (C) Santa Cruz Negri, Juan Pablo, RUT 6.861.743-K, holding 0.627%; (D) Santa Cruz Negri, Andrés Antonio, RUT 6.861.068-0, holding 0.626%; (E) Inversiones Santegri Limitada, RUT 96.593.690-4, holding 0.908%, whose owners are: (i) Comercial e Inversiones Greens, RUT 78.222.780-7, holding 24.7919%, whose owners are: Santa Cruz Negri, Pola María Pía, already identified, holding 52,4282%; Calderón Santa Cruz, Raimundo, RUT 15.637.950-6, holding 7.9286%; Calderón Santa Cruz, María Rosario, RUT 13.441.416-2, holding 7.9286%; Calderón Santa Cruz, María Luisa, RUT 16.097.265-3,

holding 7.9286%; Calderón Santa Cruz, María Olivia, RUT 17.087.508-7, holding 7.9286%; Calderón Santa Cruz, María Trinidad, RUT 17.702.711-1, holding 7.9286%; and Calderón Santa Cruz, Felipe, RUT 18.023.155-2, holding 7.9286%; (ii) Inversiones Allipen S.A., RUT 96.820.150-6, holding 24.7919%, whose owners are: Santa Cruz Negri Jaime, already identified, holding 52.068%; Santa Cruz Vergara, Jaime, RUT 13.234.139-7, holding 11.983%; Santa Cruz Vergara, Pedro, RUT 13.442.265-3, holding 11.983%; Santa Cruz Vergara, María Daniela, RUT 15.378.924-K, holding 11.983%; Santa Cruz, Vergara María Milagros, RUT 16.096.260-7, holding 11.983%; (iii) Inversiones Maichin S.A., RUT 96.820.450-5, holding 24.7919%, whose owners are: Santa Cruz Negri, Andrés, already identified, holding 52.4658%; Santa Cruz Vergara, Macarena, RUT 15.782.393-0, holding 15.8447%; Santa Cruz Nitsche, Bruno, RUT 21.149.220-1, holding 15.8447%; Santa Cruz Nitsche, Paloma, RUT 20.076.127-8, holding 15.8447%; (iv) Inversiones Caren S.A., RUT 96.819.980-3, holding 24.7919%, whose owners are: Santa Cruz Negri, Juan Pablo, already identified, holding 2.0118%; Comercial e Inversiones Santa Catalina S.A., RUT 96.647.850-0, holding 49.99940%; Santa Cruz Leyton, Pablo, RUT 16.097.638-1, holding 11.9986%; Santa Cruz Leyton, Martín, RUT 17.405.771-0, holding 11.9986%; Santa Cruz Leyton, Tomás, RUT 16.611.304-0, holding 11.9986%; and Santa Cruz Leyton, Catalina, RUT 15.638.823-8, holding 11.9986%; Santa Cruz López, Jaime, RUT 2.311.498-4,

holding 0.8323%; (F) Inversiones Baracaldo Limitada, RUT 88.606.800-K, holding 85.538%, whose owners are: Inversiones Santegri Limitada, already identified, holding 90.268000%; Comercial e Inversiones Greens S.A., already identified, holding 2.386000%; Inversiones Allipen S.A., already identified, holding 2.386000%; Inversiones Caren S.A., already identified, holding 2.386000%; and Inversiones Maichin S.A., already identified, holding 2.386000%; Santa Cruz Negri, Pola, already identified, holding 0.047000%; Santa Cruz Negri, Jaime, already identified, holding 0.047000%; Santa Cruz Negri, Pablo, already identified, holding 0.047000%; and Santa Cruz, Andrés, already identified, 0.047000% (G) Inversiones Allipen S.A., RUT 96.820.150-6, holding 2.762%; (H) Inversiones Maichin S.A., RUT 96.820.450-5, holding 2.762%; (I) Inversiones Caren S.A., RUT 96.819.980-3, holding 2.762%; and (J) Comercial e Inversiones Greens S.A., RUT 78.222.780-7, holding 2.762%; (G) Inversiones Allipen, already identified, holding 2.762%.

5. NOGALEDA HOLDING SPA

The owners of Nogaleta Holding SpA are as follows, with the percentages indicated for each of them: Noguera Gorget, Ernesto, RUT 3.678.316-8, holding 27.6%; Briceño Morales, Lucía, RUT 3.892.003-0, holding 0.4%; Noguera Briceño, Bernardita, RUT 7.031.947-0, holding 10.4%; Noguera Briceño, Loreto, RUT 7.031.948-9, 10.8%; Noguera Briceño, Juan Ignacio, RUT 7.022.714-2,

holding 11.6%; Noguera Briceño, Pablo, RUT 7.021.716-3, holding 10.0%; Macchiavello Fischer, Luis, RUT 8.815.447-9, holding 0.3%; Fernández Astudillo, Mario, RUT 7.082.857-K, holding 0.1%; Delaveau Swett, Nicole, RUT 8.415.112-2, holding 0.7%; Macchiavello Noguera, Cristóbal, RUT 18.299.611-4, holding 2.5%; Macchiavello Noguera, Sebastián, RUT 17.355.909-7, holding 2.5%; Macchiavello Noguera, Martín, RUT 19.489.061-3, holding 2.5%; Macchiavello Noguera, Sofía, RUT 20.361.439-K, holding 2.5%; Fernández Noguera, Macarena, RUT 13.851.747-0, holding 1.6%; Fernández Noguera, Daniela, RUT 15.719.495-K, holding 1.6%; Fernández Noguera, Consuelo, RUT 15.830.511-9, holding 1.6%; Fernández Noguera, Francisca, RUT 17.117.888-6, holding 1.6%; Fernández Noguera, Diego, RUT 18.297.604-0, holding 1.6%; Fernández Noguera, Matías, RUT 19.150.781-9, holding 1.6%; Noguera Delaveau, Trinidad, RUT 19.488.560-1, holding 2.1%; Noguera Delaveau, María Gracia, RUT 20.359.934-K, holding 2.1%; Noguera Delaveau, Benjamín, RUT 20.359.935-8, holding 2.1%; Noguera Delaveau, Jacinta, RUT 20.962.231-9, holding 2.1%.

6. NOGALEDA INMOBILIARIA Y COMERCIAL S.A.

The owners of Nogaleta Inmobiliaria y Comercial S.A. are as follows, with the percentages indicated for each of them: Noguera Gorget, Ernesto, RUT 3.678.316-8,

holding 27.6%; Briceño Morales, Lucía, RUT 3.892.003-0, holding 0.4%; Noguera Briceño, Bernardita, RUT 7.031.947-0, holding 10.4%; Noguera Briceño, Loreto, RUT 7.031.948-9, holding 10.8%; Noguera Briceño, Juan Ignacio, RUT 7.022.714-2, holding 11.6%; Noguera Briceño, Pablo, RUT 7.021.716-3, holding 10.0%; Macchiavello Fischer, Luis, RUT 8.815.447-9, holding 0.3%; Fernández Astudillo, Mario, RUT 7.082.857-K, holding 0.1%; Delaveau Swett, Nicole, RUT 8.415.112-2, holding 0.7%; Macchiavello Noguera, Cristóbal, RUT 18.299.611-4, holding 2.5%; Macchiavello Noguera, Sebastián, RUT 17.355.909-7, holding 2.5%; Macchiavello Noguera, Martín, RUT 19.489.061-3, holding 2.5%; Macchiavello Noguera, Sofía, RUT 20.361.439-K, holding 2.5%; Fernández Noguera, Macarena, RUT 13.851.747-0, holding 1.6%; Fernández Noguera, Daniela, RUT 15.719.495-K, holding 1.6%; Fernández Noguera, Consuelo, RUT 15.830.511-9, holding 1.6%; Fernández Noguera, Francisca, RUT 17.117.888-6, holding 1.6%; Fernández Noguera, Diego, RUT 18.297.604-0, holding 1.6%; Fernández Noguera, Matías, RUT 19.150.781-9, holding 1.6%; Noguera Delaveau, Trinidad, RUT 19.488.560-1, holding 2.1%; Noguera Delaveau, María Gracia, RUT 20.359.934-K, holding 2.1%; Noguera Delaveau, Benjamín, RUT 20.359.935-8, holding 2.1%; Noguera Delaveau, Jacinta, RUT 20.962.231-9, holding 2.1%.

SHARES, CHARACTERISTICS AND RIGHTS

DESCRIPTION OF THE SHARE SERIES

There are no series of shares. They are all registered shares of the same series and have no par value.

DIVIDEND POLICY

The Company's bylaws stipulate that the Shareholders' Meeting must distribute at least 50% of net income after any accumulated losses have been absorbed. In the event that more than 50% is to be distributed, the approval of an absolute majority of the issued voting shares is required; and in the event that less than this percentage is to be distributed, it must be approved by a resolution adopted at the respective meeting with the unanimous vote of the issued voting shares.

STATISTICAL INFORMATION

Dividends

Amounts paid as interim and final dividends, allocated to the results for the fiscal year are as follows:

YEAR	INCOME FOR THE FISCAL YEAR	DIVIDENDS		CHARGED TO ACCUMULATED RESULTS
		Interim	Final	
2019	40,473,277	29,529,374	4,770,130	0
2020	34,997,243	24,759,274	2,044,341	0
2021	45,999,013	30,665,119	2,725,788	19,875,540

Dividends paid per share during the last 3 years are:

YEAR	PAID AND SUBSCRIBED SHARES	DIVIDENDS		CHARGED TO ACCUMULATED RESULTS
		Interim	Final	
2019	113,574,515	260	42	0
2020	113,574,515	218	18	0
2021	113,574,515	270	24	175

Stock exchange transactions

STOCK EXCHANGE	PERIOD	NUMBER OF SHARES	CLOSING PRICE	HIGH PRICE	LOW PRICE	AVERAGE PRICE	AMOUNT TRADED
Santiago Stock Exchange	1Q21	373,309	4,438	4,706	4,200	4,477	1,671,393,425
	2Q21	3,949,770	3,447	4,450	3,418	3,820	15,089,329,800
	3Q21	725,308	3,213	3,551	3,108	3,279	2,378,519,484
	4Q21	719,069	2,200	3,229	2,030	2,836	2,039,305,845
	Annual 2021	5,767,456	2,200	4,706	2,030	3,672	21,178,548,554



INFORMATION ON MATERIAL EVENTS OF THE PERIOD



As of December 31, 2021, Empresas Lipigas S.A. has disclosed to Chile's Financial Market Commission (CMF) the following information as Material Events, among others:

1. On April 22, 2021, the creation of the subsidiary Logística y Desarrollos Digitales SpA, whose capital has been fully subscribed by Lipigas. Of an operational nature, the purpose of the company will be, among others, the distribution, transportation and delivery of goods and products, and to execute logistical management; the purchase, sale and import, commercialization and distribution of tangible or intangible movable goods, and the management and implementation of digital businesses.
2. On May 20, 2021, the Company disclosed to the market that the subsidiary Lima Gas S.A. has accepted the value settled as compensation for the expropriation of land in the Callao area, where the storage and bottling plant that supplies the sales in the Lima area is situated (for facilities of the future expansion of that city's subway). The subsidiary will receive compensation valued at an estimated 4,400 million Chilean pesos, net of the assets to be disposed of and other transaction-related expenses.
3. On September 30, 2021, the Company informed the market of its acquisition of 80% of the shares of Four Trees Energía Distribuida SpA from Inversiones Maihue Limitada, for a total value of USD 3,300,000, thereby forming a new subsidiary of Empresas Lipigas. In Chile, Four Trees is dedicated to distributed solar generation and operates 19 solar photovoltaic plants with a combined capacity of 3.6 MW. This acquisition is part of Lipigas' strategy to strengthen its electricity business, in this case, through the commercialization of solar energy with self-generation plants built on the premises of commercial and industrial customers. In order to promote the development of new projects, the company's current managers will remain affiliated with management for an initial three-year period.
4. The Company announced on November 15, 2021 that Chilco Net S.A.S. was established in Colombia on November 8, 2021 and registered with the Chamber of Commerce of Bogota on November 10, 2021. The new company is a subsidiary of Chilco Distribuidora de Gas y Energía S.A.S. E.S.P. in turn a subsidiary of Lipigas in that country. The organization's goal will include the commercialization, operation, and/or exploitation of all types of public or private telecommunications services. The purpose of its formation is to explore the business of offering high-speed internet service to customers in small and medium-sized cities in the interior of Colombia, as a complementary product to the provision of network gas.



RISK FACTORS

Risk factors inherent to the Company's activity are those of the markets in which it participates, and the activity conducted by the Company and its subsidiaries. The Board of Directors and Management periodically review the Company's significant risks' map to design and monitor compliance with risk mitigation measures deemed appropriate. The main risk factors affecting the business are presented below and the complete detail of each one can be found in the company's Analysis of the Financial Statements as of December 31, 2021.

CREDIT RISK

Credit risk arises from losses that might occur because of a breach of the contractual obligations on behalf of counterparties of the Company's different financial assets.

The Company has credit policies that mitigate risks of non-collection of trade accounts receivable. These policies consist of establishing limits to the credit of each client based on their financial background and behavior, which is permanently monitored.

The Company's financial assets consist of cash and cash equivalents balance, trade accounts and other accounts receivable, other financial assets and other non-current financial assets.

Credit risk is mainly related to trade accounts and other accounts receivable. The balance of cash and cash equivalents and other financial assets are also exposed to a lesser extent. The exposure of cash and cash equivalents to credit risk is limited because cash is deposited in banks with a high credit rating. The Company's cash surplus investments are diversified among different financial institutions that also have high credit ratings. Investments classified as other financial assets correspond to liabilities issued by companies with AA- or higher ratings.

LIQUIDITY RISK

Liquidity risk refers to the possibility that an entity cannot cope with their short-term payment commitments.

Liquidity risk is handled through the proper management of assets and liabilities, optimizing daily cash surplus, investing in top quality financial instruments, thus, ensuring compliance with debt commitments upon maturity.

The Company maintains relationships with major financial institutions in the markets in which it operates. This allows counting on credit lines to deal with specific illiquidity situations.

Periodically, cash flow projections and analysis of the financial situation are performed, to acquire new financing or restructuring of existing debts on terms that are consistent with the Company's business cash flow generation, should the need arise.

MARKET RISK

It relates to the risk of fluctuation of fair values of financial assets and liabilities due to changes in market prices. The Company's exposure to market risks with respect to its financial assets and liabilities are exchange rate risk, indexation units and interest rate

risk. In addition, the Company is exposed to risks related to the demand and supply of commercialized products.

REGULATORY RISK

The amendments of the Gas Services Law (DFL 323) came into effect in February 2017. The most relevant changes affect businesses in networks under concession, with the most meaningful change being the establishment of a profitability cap of 3% above the capital cost rate for the supply of gas through networks under concession. The capital cost rate may not be lower than 6% with which resulting profitability is 9% for new networks. Regarding networks built during the 15 years preceding the effective date of the amendments to the law and during the 10 years following the effective date of the amended law, a 5% profitability cap on the capital cost is established for a period of 15 years from its entry into operation, resulting in an 11% rate for the first 15 years of operation.

The Company currently has a natural gas operation in the city of Calama and continues expanding its network in Osorno and Puerto Montt. The changes included in the law do not affect the evaluation of the natural gas projects currently being developed, since the Company has included the previously mentioned profitability restrictions within the evaluation parameters. For Calama,

annual returns are below the maximum range allowed by law. In the latest profitability check published by the CNE for the year 2019, the rate of return was 8.76%.

The freedom of fixing prices to customers remains for networks not under concession. In addition, it reaffirms that customers or consumers with residential gas services are entitled to change the distribution company. Given the above, a maximum period of five years is set for the validity of relationship contracts between residential gas customers and distributing companies for new real estate projects or should the transfer to another company involves the replacement and adaptation of existing client facilities due to the amendment of supply specifications, in order to enable the connection to the distribution network. In the other cases, the maximum term of the contracts is two years.

As in other liquefied gas markets, the residential bulk business is very competitive among its participants. Additionally, LPG distributing companies must compete with other types of energy (natural gas, firewood, diesel, paraffin, electric power, etc.). The possibility that customers change the company that provides LPG already existed before the amendments introduced by law. The service delivered to customers and the security both of supply and facilities, in addition to a competitive price, are relevant

to the degree of customer satisfaction. The Company intends to continue being a competitive energy option for those customers connected to LPG networks.

In November 2020, the Chilean National Economic Prosecutor's Office (Fiscalía Nacional Económica - FNE) announced the initiation of a Gas Market Study (Study), in order to determine the proper operation of the gas market from the point of view of free competition. The Company collaborated throughout the process with the FNE, providing information and studies and opinions of international experts on the operation of the liquefied gas market in Chile.

On December 29, 2021, the FNE published its conclusions by issuing a Gas Market Study, in which an analysis of the operation of the market and recommendations for amendments to the operation of the market are made. In no case does the FNE conclude that there are any infringements to free competition regulations. However, with respect to bottled LPG, it makes three recommendations, among which is to prohibit by any means, whether direct or indirect, the participation of wholesale distributors in the LPG retail distribution market and the exclusivity agreements between bottling wholesalers and retail distributors.

In January 2022, the Executive Branch submitted to the Honorable House of Representatives a bill on the improvement of the gas market, which incorporated the recommendations included in the Study issued by the FNE.

Significant changes in laws and regulations in the sectors in which the Company operates may adversely affect its business or the conditions thereof, increase the Company's operating costs or affect the financial situation of the Company.

ACCIDENT RISK

All human activities are exposed to hazards that can lead to accidents and certainly, the fuel distribution industry is no exception. To minimize the likelihood that these hazards will become unwanted situations, prevention and mitigation actions must be developed to reduce its consequences if hazards such as accidents or emergencies should exist.

For this, actions are permanently developed to ensure that all operations are carried out with high safety levels.

Complementing the reinforcement actions of the safe handling of fuel, the Company has insurance coverage deemed consistent with the industry's standard practices.

REPUTATION AND CORPORATE IMAGE RISK

The business of Empresas Lipigas is associated with the management of fossil fuels, particularly LPG, and its commercialization to a wide-ranging customer base. This business is subject to specific regulations in each of the countries where the Company operates. In addition, the Company is subject to several provisions relating to compliance with tax, environmental, labor, antitrust, and corporate regulations, among others. Should damage result from the commercialized products or in the event of observations from inspection bodies in compliance with the provisions that are applicable to the Company, this could lead to a deterioration of the Company's reputation and corporate image.

This risk is mitigated through the appropriate operating processes and compliance with regulations implemented within the Company. The controls implemented are constantly reviewed and people are trained to avoid these risks. The Company has established complaint lines and investigation procedures to determine actions that deviate from its Code of Conduct.

RISK OF LITIGATION, PENALTIES AND FINES

The Company may be subject to litigation, penalties or fines resulting from its business. These potential impacts are mitigated from their inception, by complying with relevant regulations. The principal litigation and sanctioning procedures currently underway involving the Company or its subsidiaries are described in Note 27 to the consolidated financial statements.

The Company's main businesses are regulated by the Superintendence of Electricity and Fuels (SEC) in Chile, the Regulatory Commission of Energy and Gas (CREG) in Colombia, and the Ministry of Energy and Mines and the Energy and Mines Investment Regulator (Osinergmin) in Peru, which ensure compliance with the laws, decrees, rules, memorandum and resolutions that govern the activity. In addition, different agencies in different countries are responsible for the control of compliance with the provisions related to tax, environmental, labor, antitrust, and corporate regulations, among others.

The Company has procedures in place and has the knowledge required to act under the protection of current laws and avoid penalties and fines.



RISK OF CHANGES IN REGULATORY, POLITICAL, ECONOMIC AND SOCIAL CONDITIONS IN THE COUNTRIES OF OPERATION

The Company's financial and operating performance may be negatively affected by regulatory, political, economic and social conditions in the countries where it operates. The Company is exposed to various risks such as potential renegotiation, nullification or forced amendment of contracts, expropriation, foreign exchange controls, and changes in laws, regulations and political instability. The Company also faces the risk of having to submit to the jurisdiction of a foreign court or arbitration panel or having to enforce a judgment in another country.

Company Management permanently monitors the evolution of regulatory, political, economic and social conditions in the countries where it operates.

ACQUISITION STRATEGY RISK

The Company has grown, in part, through several significant acquisitions and will continue to engage in a number of assessments to pursue new opportunities to incorporate them into existing operations.

Acquisitions involve known and unknown risks that could adversely affect the Company's future net sales and operating income. Any

future or potential acquisitions, may result in substantial costs, disrupt our operations or materially adversely affect the Company's operating results.

Each acquisition performed by the Company is analyzed in detail by multi-disciplinary teams with external consultants, if necessary, in order to analyze the consequences and mitigate the risks inherent in any new business acquisition.

RISK OF PRODUCTION, STORAGE AND TRANSPORTATION OF GAS

Operations conducted at the Company's plants involve safety risks and other operating risks, including the handling, storage and transportation of highly inflammable, explosive and toxic materials.

These risks could result in personal injury and death, severe damage to or destruction of property and equipment and environmental damage. Although the Company is very careful about the safety of its operations, a sufficiently large accident at one of the bottling or storage plants, or at facilities located at client facilities for liquefied or natural gas, or during transportation or delivery of products being sold, could force to temporarily suspend operations at the location and result in significant remediation costs, loss of income or generate contingent liabilities, and adversely affect the Company's

corporate image and reputation and that of its subsidiaries. Also, despite having broad insurance coverage, it may not be available on a timely basis and may be insufficient to cover all losses. Equipment breakdowns, natural disasters and delays in obtaining imports of required replacement parts or equipment can also affect distribution operations and consequently operating results.

RISK THAT INSURANCE COVERAGE MAY BE INSUFFICIENT TO COVER LOSSES THAT MAY BE INCURRED

The operation of any distribution company specializing in LPG logistics operations and fuel distribution involves substantial risks of property damage and personal injury and may result in significant costs and liabilities.

The Company permanently analyzes the risks that may be covered by insurance policies, both in the amount of possible losses for the Company as in the characteristics of the risks, therefore Management considers that current insurance levels are appropriate. Notwithstanding the previous, the occurrence of losses or other liabilities that are not covered by the insurance or that exceed coverage limits may result in additional unexpected and significant costs.

RISK OF REGULATORY CHANGES TO MITIGATE THE EFFECTS OF CLIMATE CHANGE

Due to concern over risks of climate change, several countries have adopted, or are considering the adoption of, regulatory frameworks to, among other measures, reduce greenhouse gas emissions. These could include adoption of cap-and-trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates to develop the generation of renewable energy. These requirements could reduce demand for fossil fuels, replacing them with energy sources of relatively lower-carbon sources. In addition, some governments may provide tax advantages and other subsidies and mandates to make alternative energy sources more competitive against oil and gas. Governments may also promote research into new technologies to reduce the cost and increase the scalability of alternative energy sources, all of which could lead to a decrease in the demand for our products. In addition, current and pending greenhouse gas regulations may substantially increase our compliance costs and, consequently, increase the price of products distributed by the Company.

The Company permanently monitors the evolution of regulations related to climate change and its consequences on consumer behavior and operations and analyzes alternative fuels with a lower carbon footprint that can be commercialized as a substitute for or in combination with fossil fuels.

RISK OF RIOTING

The economic and social situation of the different countries where the Company operates could lead to protests that could prompt violent actions damaging facilities or hindering the operation. The Company remains alert regarding the evolution of these events, prioritizing the protection and safety of workers, collaborators and the communities where it operates. It also has insurance coverage for possible damage or theft of goods or facilities.

RISK OF EPIDEMICS OR PANDEMICS

Rapidly spreading infectious diseases may have an impact on the business of the company. The government may impose restrictions that have an effect on the activity of customers or the company's own operations, thereby reducing the company's revenue flow or incurring additional expenses. In turn, the protection of workers', collaborators', and customers' safety may result in higher operating costs for health-related or similar reasons.

The Board of Directors and Management closely monitor the progression of epidemic or pandemic situations, giving top priority to the safety of employees, collaborators, customers, and communities in which the company's operations are conducted. Special committees comprised of first-line managers are formed to provide a prompt response and coordinate safety measures.

RISK OF NATURAL OR HEALTH CATASTROPHES

In the countries in which the Company is present, catastrophic situations eventually occur such as floods, tsunamis or earthquakes, which force us to operate in contingency to maintain the supply to our customers. Previous experiences, in addition to emergency and contingency plans, periodically monitored, allow to mitigate this risk.

On the other hand, rapidly spreading infectious diseases may have consequences for the Company's business, as mentioned in the preceding paragraph.

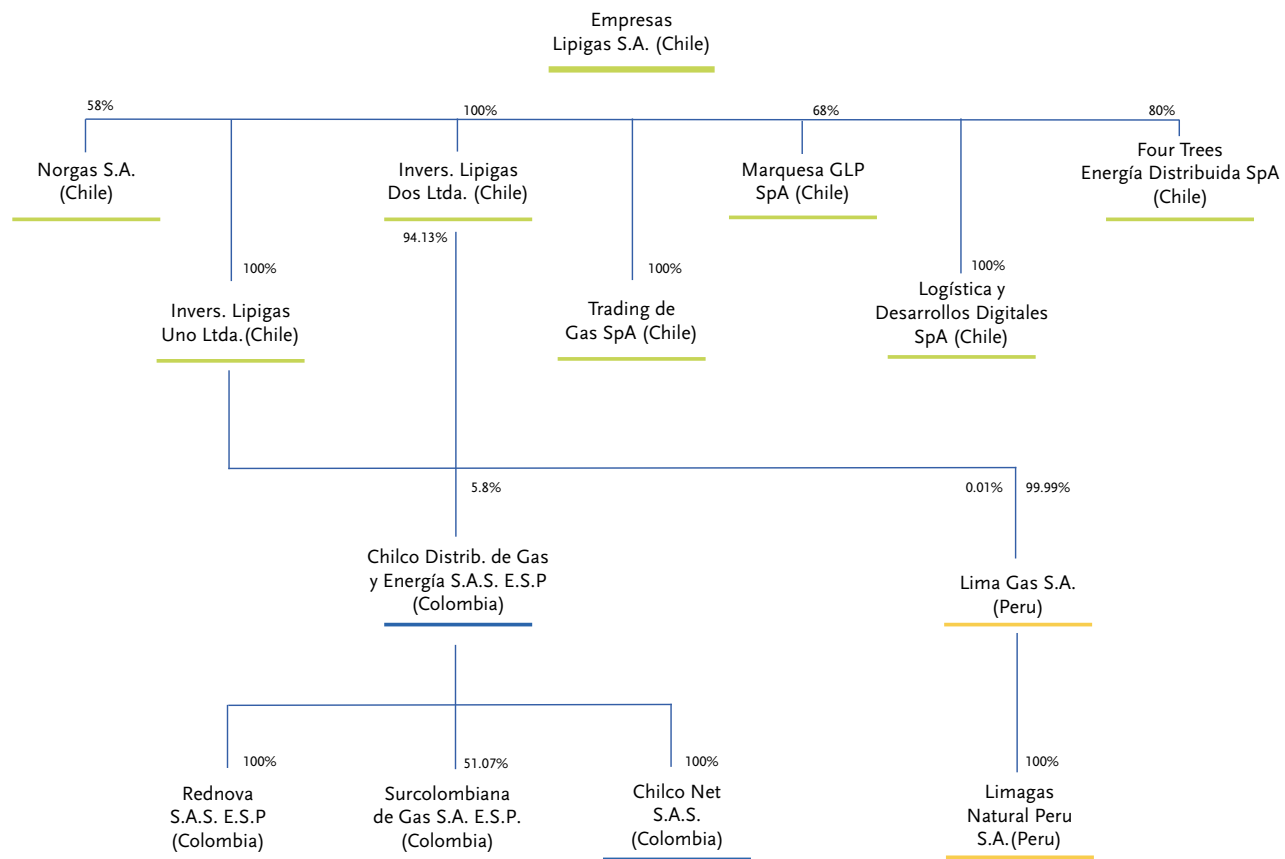
CYBERSECURITY RISK

The world is on a fast-paced path of digitization, whereby robotics, digitization and the Internet are rapidly integrating into the operating environment, bringing with them changes in cybersecurity risks. Companies of all sizes and sectors have seen an increase in cyberattack incidents and attempts. In addition, considering a business context in which the security of systems has been decentralized with the mobility of employees, having a cybersecurity strategy that includes this situation has become essential.

Aware of these risks, Management continuously monitors and updates the various cybersecurity risks and implements actions to mitigate them, evaluating the impact on the organization and the probability of occurrence based on scales that have been defined. Thus, in order to examine the level of risk in detail, a comprehensive analysis was recently conducted to determine the level of maturity and alignment of the organization, using as a basis the requirements established in the ISO 27001:2013 standard, a study which revealed an acceptable state of controls at the indicator level. In addition, an action plan to achieve a higher level of risk mitigation has been initiated, with a completion deadline in the last quarter of 2022.



OWNERSHIP STRUCTURE



INFORMATION ON SUBSIDIARIES AND ASSOCIATES

NAME	NORGAS S. A.	TRADING DE GAS SPA	INVERSIONES LIPIGAS UNO LIMITADA	INVERSIONES LIPIGAS DOS LIMITADA	MARQUESA GLP SPA	LOGÍSTICA Y DESARROLLOS DIGITALES SPA	FOUR TREES ENERGÍA DISTRIBUIDA SPA
Type of entity	Importer and wholesale distributor of liquefied petroleum gas (LPG)	Storage, commercialization and distribution of gas	Investment company	Investment company	Generate, distribute, transmit, purchase and sell electricity from any kind of energy projects.	Logistics management services and other services related to its activity.	Generate, distribute, transmit, purchase and sell electricity from non-conventional energy projects of any nature.
RUT and/or tax identification number foreign entities	78.889.940-8	76.466.551-1	76.121.456-K	76.121.442-K	76.454.726-8	77.383.799-6	76.975.703-1
Address	Dos Norte N° 200, comuna de Concón.	Vicuña Mackenna 6843, oficina 1109, Florida, Santiago de Chile.	Vicuña Mackenna 6843, oficina 1109, Florida, Santiago de Chile.	Vicuña Mackenna 6843, oficina 1109, Florida, Santiago de Chile.	Avenida España N° 795, Santiago, Santiago de Chile	Avenida Apoquindo 5400, oficina 15 en la Comuna de Las Condes, Santiago de Chile.	Av. Américo Vespucio 2700, oficina 901, Comuna de Vitacura, Santiago de Chile.
Trades Relations	Purchase and sale of services and LPG. This same type of trade relations is projected to be maintained.	Purchase and sale of services and LPG. This same type of trade relations is projected to be maintained.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.

NAME	CHILCO DISTRIBUIDORA DE GAS Y ENERGÍA S.A.S. E.S.P.	REDNOVA S.A.S. E.S.P.	SURCOLOMBIANA DE GAS S.A. E.S.P.	CHILCO NET S.A.S.	LIMA GAS S. A.	LIMACAS NATURAL PERU S.A.
Type of entity	Importer and wholesale distributor of liquefied petroleum gas (LPG)	Transport, operation and pipeline distribution of natural gas and liquefied petroleum gas (LPG)	Distribution and commercialization of gas.	Distribution and commercialization of internet, television and communication services.	Distributor of liquefied petroleum gas (LPG)	Distributor of natural gas
RUT and/or tax identification number foreign entities	900.396.759-5	901.042.814-7	830510717-1	901.538.953-2	20100007348	20516556561
Address	Trans. 23 N° 95-53 Piso 7 Botogá, Colombia	Trans. 23 N° 95-53 Piso 7 Botogá, Colombia	Cra. 1 B N° 4-58 Pitalito - Huila, Colombia	Trans. 23 N° 95-53 Piso 7, Botogá, Colombia	Calle Bernini 149 Piso 4, San Borja Lima - Peru	Calle Bernini 149 Piso 4, San Borja Lima - Peru
Trades Relations	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.	LPG sales from the subsidiary have been sporadically made to the Parent Company.	None to date. No future changes are foreseen in the relation between the parent company and this Subsidiary.

NAME	NORGAS S. A.	TRADING DE GAS SPA	INVERSIONES LIPIGAS UNO LIMITADA	INVERSIONES LIPIGAS DOS LIMITADA	MARQUESA GLP SPA	LOGÍSTICA Y DESARROLLOS DIGITALES SPA	FOUR TREES ENERGÍA DISTRIBUIDA SPA
Corporate purpose	Import, export, and purchase of liquefied petroleum gas (LPG) and bulk sales to distributors in the First, Second and Fifteenth Region of the country.	Purchase, sale, brokerage, storage, transport and distribution at local and international levels of gas in all its forms, imported by sea or land.	Investment, both in Chile and abroad in ventures linked to the energy sector, particularly in the field of liquefied petroleum gas.	Investment, both in Chile and abroad in ventures linked to the energy sector, particularly in the field of liquefied petroleum gas.	Generate, distribute, transmit, purchase and sell electrical energy from any kind of energy projects, develop projects and carry out operations or activities in the energy field and in those activities directly related with energy or where it is largely used.	Distribution, transportation and delivery of goods and products, performing the logistic administration of these or other activities, both for itself and for third parties, as well as the provision of logistics management services and other services related to its activity.	Generate, distribute, transmit, purchase and sell electric power and commercialize the power and energy, including the non-conventional renewable energy attribute, from its own facilities or those of third parties.
Proportion of the investment in Parent Company's asset	0.25%	2.37%	10.78%	0.19%	0.37%	0.01%	-0.05%
Ownership interest of Parent Company in subsidiary's capital and variation during last fiscal year	58%	100%	100%	100%	65%	100%	80%
Subscribed and Paid-in Capital functional currency	\$2,758,364,807	\$12,000,000,000	\$59,553,579,115	\$1,101,039,270	USD4,263,000	\$320,000,000	\$1,000,000
Chairman	Ángel Mafucci Solimano	Ángel Mafucci Solimano	N/A	N/A	Ángel Mafucci Solimano	Ángel Mafucci Solimano	Ángel Mafucci Solimano
Vice-Chairman	Gonzalo Cordero Mendoza	N/A	N/A	N/A	N/A	N/A	N/A

NAME	CHILCO DISTRIBUIDORA DE GAS Y ENERGÍA S.A.S. E.S.P.	REDNOVA S.A.S. E.S.P.	SURCOLOMBIANA DE GAS S.A. E.S.P.	CHILCO NET S.A.S.	LIMA GAS S. A.	LIMAGAS NATURAL PERU S.A.
Corporate purpose	Purchase, sale, distribution, transportation and commercialization of residential gas for residential, commercial or industrial use, as well as all kinds of fuels and lubricants.	Purchase, sale, transport, operation and pipeline distribution of liquefied petroleum gas (LPG) of hydrocarbons in general and all kinds of gas and oil activities and directly related businesses.	Provide distribution and commercialization service of public fuel gas and the inherent, related and complementary activities of that service, such as purchase, sale, marketing items, equipment and related materials with the handling of fuel gases or other public services.	Provide distribution and commercialization services for internet, television and conventional voice and/or data telecommunication services.	Provide service in the field of energy, oriented toward the business of bottling, distribution and commercialization of liquefied petroleum gas.	Provide service in the field of energy, oriented toward the business of distribution and commercialization of natural gas.
Proportion of the investment in Parent Company's asset	7.46%	0.37%	0.81%	1.48%	7.94%	1.69%
Ownership interest of Parent Company in subsidiary's capital and variation during last fiscal year	100%	100%	51.07%	100%	100%	100%
Subscribed and Paid-in Capital functional currency	COP71,748,229,000	COP7,127,334,547	COP6,086,400,000	COP7,400,000,000	PEN53,565,412	PEN49,545,035
Chairman	Ángel Mafucci Solimano	Ángel Mafucci Solimano	Jorge Eduardo Avilán Aristizábal	Jorge Eduardo Avilán Aristizábal	Ángel Mafucci Solimano	Ángel Mafucci Solimano
Vice-Chairman	N/A	N/A	N/A	N/A	N/A	N/A

NAME	NORGAS S. A.	TRADING DE GAS SPA	INVERSIONES LIPIGAS UNO LIMITADA	INVERSIONES LIPIGAS DOS LIMITADA	MARQUESA GLP SPA	LOGÍSTICA Y DESARROLLOS DIGITALES SPA	FOUR TREES ENERGÍA DISTRIBUIDA SPA
Directors	Oswaldo Rosa Ageitos Macarena Laso Aguirre Esteban Rodríguez Bravo	Oswaldo Rosa Ageitos José Miguel Bambach Salvatore	N/A	N/A	Oswaldo Rosa Ageitos Jose Miguel Bambach Salvatore Fernando Escrich Juleff Rosa María Villagra Moreno	Oswaldo Rosa Ageitos Morris Pessó Olcese José Miguel Bambach Salvatore	Juan Pablo Rojas Valerie Barnich Oswaldo Rosa Ageitos José Miguel Bambach Salvatore
General Manager	Morris José Pessó Olcese	Mariela González Palacios	N/A	N/A	Valerie Marie Michael Barnich	Morris José Pessó Olcese	Nicolas Errázuriz Recart
Principal officers of the Parent Company serving as Directors of the subsidiary	Morris José Pessó Olcese Esteban Rodríguez Bravo Oswaldo Rosa Ageitos Ángel Mafucci Solimano	Oswaldo Rosa Ageitos Mariela González Palacios Jose Miguel Bambach Salvatore Ángel Mafucci Solimano	N/A	N/A	Oswaldo Rosa Ageitos Jose Miguel Bambach Salvatore Ángel Mafucci Solimano Valerie Marie Michael Barnich	Ángel Mafucci Solimano Oswaldo Rosa Ageitos Morris Pessó Olcese José Miguel Bambach Salvatore	Ángel Mafucci Solimano Valerie Barnich Oswaldo Rosa Ageitos José Miguel Bambach Salvatore

NAME	CHILCO DISTRIBUIDORA DE GAS Y ENERGÍA S.A.S. E.S.P.	REDNOVA S.A.S. E.S.P.	SURCOLOMBIANA DE GAS S.A. E.S.P.	CHILCO NET S.A.S.	LIMA GAS S. A.	LIMAGAS NATURAL PERU S.A.
Directors	Oswaldo Rosa Ageitos Manuel Maiguashca	Oswaldo Rosa Ageitos Manuel Maiguashca	Jorge Avilan Aristizábal Amanda Cuellar Sterling Carlos González Perdomo Gobernación del Huila Municipio de Pitalito	Jorge Avilan Aristizábal Amanda Cuellar Sterling	Oswaldo Rosa Ageitos Alonso José Rey Bustamante	Oswaldo Rosa Ageitos Esteban Rodríguez Bravo
General Manager	Jorge Avilán Aristizábal	Alvaro Casanova Caliman	Camilo Lozano Hermida	Carlos Andres Sierra Vásquez	Patricio Mura Escobar	Pablo Sáenz-Laguna Saavedra
Principal officers of the Parent Company serving as Directors of the subsidiary	Ángel Mafucci Solimano José Miguel Bambach Salvatore Oswaldo Rosa Ageitos Morris José Pessó Olcese	Ángel Mafucci Solimano José Miguel Bambach Salvatore Oswaldo Rosa Ageitos Morris José Pessó Olcese	N/A	N/A	Ángel Mafucci Solimano Oswaldo Rosa Ageitos	Ángel Mafucci Solimano Oswaldo Rosa Ageitos Esteban Rodríguez Bravo



FINANCIAL INFORMATION

INDEPENDENT AUDIT REPORT

On March 9, 2022, the independent auditor PricewaterhouseCoopers issued its unqualified audit opinion on the consolidated financial results of Empresas Lipigas S.A. and subsidiaries as of December 31, 2021. The aforementioned report and the complete version of the Consolidated Financial Statements for the fiscal year, as well as the Analysis of the Financial Statements reported to the Financial Market Commission, in accordance with General Rule No. 461 of said entity (which amended NCG No. 30) can be downloaded below:

Independent Auditor's Report and Consolidated Financial Statements



Analysis of the Financial Statements



Additionally, these documents and the Financial Statements of subsidiaries are available at www.lipigas.com



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as of December 31, 2021 and 2020 (Expressed in 000's CLP)

ASSETS	NOTE	12.31.2021 Th\$	12.31.2020 Th\$
CURRENT ASSETS			
Cash and cash equivalent	3	45,778,257	62,317,022
Other financial assets, current	4	2,945,567	1,961,963
Trade receivables and other accounts receivable, current	7	53,754,590	36,609,778
Inventories	9	38,014,024	23,131,562
Current tax assets	10	9,636,585	6,044,108
Other non-financial assets, current	6	1,042,359	2,542,388
Total Operating Current Assets		151,171,382	132,606,821
Non-current assets or disposal groups held for sale		109,885	11,102
Total Current Assets		151,281,267	132,617,923
NON-CURRENT ASSETS			
Other financial assets, non-current	4	18,116,877	758,321
Trade accounts and other accounts receivable, non-current	7	2,996,032	9,492,935
Investments accounted for using the equity method		1,754	1,753
Intangible assets other than goodwill	11	11,929,560	10,918,432
Property, plant and equipment	13	409,799,844	377,849,963
Goodwill	12	8,005,278	7,658,969
Deferred tax assets	10	4,005,633	2,380,508
Other non-financial assets, non-current	6	17,846,991	17,568,803
Total Non-Current Assets		472,701,969	426,629,684
Total Assets		623,983,236	559,247,607

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021 and 2020 (Expressed in 000's CLP)

EQUITY AND LIABILITIES	NOTE	12.31.2021 Th\$	12.31.2020 Th\$
CURRENT LIABILITIES			
Other financial liabilities, current	14	8,874,153	7,187,557
Lease liabilities, current	15	8,636,927	5,737,749
Trade accounts and other accounts payable, current	16	55,163,443	41,128,853
Other provisions, current	17	424,068	349,946
Tax liabilities, current	10	5,397,324	4,574,997
Other non-financial liabilities, current	18	10,120,509	8,233,329
Provisions for employee benefits, current	19	4,460,429	3,524,937
Total Current Liabilities		93,076,853	70,737,368
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	14	230,438,269	207,388,080
Lease liabilities, non-current	15	29,444,761	24,917,074
Trade accounts and other accounts payable, non-current	16	1,266,951	-
Deferred tax liabilities	10	50,380,015	43,243,478
Other non-financial liabilities, non-current	20	45,797,208	42,839,095
Provisions for employee benefits, non-current	19	4,764,902	4,272,495
Total Non-Current Liabilities		362,092,106	322,660,222
TOTAL LIABILITIES		455,168,959	393,397,590

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021 and 2020 (Expressed in 000's CLP)

	NOTE	12.31.2021 Th\$	12.31.2020 Th\$
EQUITY			
Issued capital	22	129,242,454	129,242,454
Other reserves	26.1	991,925	(9,555,967)
Accumulated earnings (losses)	22	32,569,432	40,349,011
Equity attributable to the owners of the controller		162,803,811	160,035,498
Non-controlling interests	22	6,010,466	5,814,519
Total Equity		168,814,277	165,850,017
Total Equity and Liabilities		623,983,236	559,247,607

CONSOLIDATED STATEMENTS OF INCOME

As of December 31, 2021 and 2020 (Expressed in 000's CLP)

	NOTE	01.01.2021 to 12.31.2021 Th\$	01.01.2020 to 12.31.2020 Th\$
STATEMENT OF INCOME BY FUNCTION			
Revenue	22	695,967,071	508,164,262
Cost of sales	23	(492,482,021)	(320,353,826)
Gross Earnings		203,485,050	187,810,436
Other income by function	22	693,642	735,240
Other expenses by function	23	(35,029,958)	(27,985,593)
Distribution costs	23	(56,631,623)	(53,781,732)
Administrative expenses	23	(44,990,018)	(44,875,778)
Operating income		67,527,093	61,902,573
Financial income	24.1	3,739,512	1,201,113
Financial costs	24.1	(11,577,905)	(9,369,643)
Exchange rate differential	24.1	1,281,511	(939,254)
Profit (loss) on indexation units	24.1	(1,367,598)	(4,052,380)
Other gains (losses)	24.2	4,800,411	(1,215,460)
Earnings (loss) before taxes		64,403,024	47,526,949
Income tax expense	10	(18,404,011)	(12,529,706)
Profit (loss)		45,999,013	34,997,243

CONSOLIDATED STATEMENTS OF INCOME

As of December 31, 2021 and 2020 (Expressed in 000's CLP)

	NOTE	01.01.2021 to 12.31.2021 Th\$	01.01.2020 to 12.31.2020 Th\$
EARNINGS (LOSS) ATTRIBUTABLE TO:			
Profit (loss) attributable to the owners of the controller	22	45,486,869	34,265,673
Profit (loss) attributable to non-controlling interests	22	512,144	731,570
Profit (loss)		45,999,013	34,997,243
EARNINGS PER BASIC SHARE			
Earnings (loss) per basic share in continued operations	22	400.50	301.70
Earnings (loss) per basic share in discontinued operations		-	-
Earnings (loss) per basic share		400.50	301.70
EARNINGS PER DILUTED SHARE			
Earnings (loss) per diluted share in continued operations	22	400.50	301.70
Earnings (loss) per diluted share in discontinued operations		-	-
Earnings (loss) per diluted share		400.50	301.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As of December 31, 2021 and 2020 (in 000's CLP)

	01.01.2021 to 12.31.2021 Th\$	01.01.2020 to 12.31.2020 Th\$
STATEMENT OF COMPREHENSIVE INCOME		
Gain (loss)	45,999,013	34,997,243
Components of other comprehensive income that will not be reclassified to net income for the fiscal year, before taxes		
Other comprehensive income, actuarial gains (losses) from defined benefit plans	(704,585)	(284,257)
Other comprehensive income that will not be reclassified to net income for the fiscal year, before taxes	(704,585)	(284,257)
Components of other comprehensive income to be reclassified to net income for the fiscal year, before taxes		
Gains (losses) on exchange rate translation, before taxes	5,549,282	(12,841,534)
Gains (losses) from cash flow hedges, before taxes	7,581,773	(398,670)
Other comprehensive income to be reclassified to net income for the fiscal year, before taxes	13,131,055	(13,240,204)
Other comprehensive income, before taxes	12,426,470	(13,524,461)
Income taxes on components of other comprehensive income to be reclassified to net income for the fiscal year		
Income taxes on defined benefit plans	190,238	76,749
Income taxes on components of other comprehensive income not to be reclassified to net income for the fiscal year	190,238	76,749
Income taxes on components of other comprehensive income to be reclassified to net income for the fiscal year		
Income taxes on cash flow hedges	(2,047,079)	107,641
Income taxes on components of other comprehensive income to be reclassified to net income for the fiscal year	(2,047,079)	107,641
Total other comprehensive income and expenses for the fiscal year	10,569,629	(13,340,071)
Comprehensive income and expenses for the fiscal year	56,568,642	21,657,172
Comprehensive income and expenses attributable to:		
Comprehensive income attributable to the owners of the controller	56,034,761	21,501,975
Comprehensive income attributable to non-controlling interests	533,881	155,197
Total comprehensive income	56,568,642	21,657,172

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the fiscal years ended December 31, 2021 and 2020 (in 000's CLP)

YEAR 2021		RESERVES					TOTAL EQUITY		
Statement of Changes in Equity	Issued Capital Th\$	Reserves for translation of exchange differentials Th\$	Reserves for cash flow hedges Th\$	Reserves for gains and losses on defined benefit plans Th\$	Total Other reserves Th\$	Accumulated Gains (Losses) Th\$	Equity attributable to owners of the controllers Th\$	Non-controlling interests Th\$	Total Equity Th\$
Equity at January 1, 2021	129,242,454	(8,672,525)	(181,008)	(702,434)	(9,555,967)	40,349,011	160,035,498	5,814,519	165,850,017
CHANGES IN EQUITY									
COMPREHENSIVE INCOME									
Gain (Loss)	-	-	-	-	-	45,486,869	45,486,869	512,144	45,999,013
Other comprehensive income	-	5,527,545	5,534,694	(514,347)	10,547,892	-	10,547,892	21,737	10,569,629
Total comprehensive income	-	5,527,545	5,534,694	(514,347)	10,547,892	45,486,869	56,034,761	533,881	56,568,642
Dividends	-	-	-	-	-	(53,266,448)	(53,266,448)	(337,934)	(53,604,382)
Total increase (decrease) in equity	-	5,527,545	5,534,694	(514,347)	10,547,892	(7,779,579)	2,768,313	195,947	2,964,260
Equity at December 31, 2021	129,242,454	(3,144,980)	5,353,686	(1,216,781)	991,925	32,569,432	162,803,811	6,010,466	168,814,277

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the fiscal years ended December 31, 2021 and 2020 (in 000's CLP)

YEAR 2020		RESERVES					TOTAL EQUITY		
Statement of Changes in Equity	Issued Capital Th\$	Reserves for translation of exchange differentials Th\$	Reserves for cash flow hedges Th\$	Reserves for gains and losses on defined benefit plans Th\$	Total Other reserves Th\$	Accumulated Gains (Losses) Th\$	Equity attributable to owners of the controllers Th\$	Non-controlling interests Th\$	Total Equity Th\$
Equity at January 1, 2020	129,242,454	3,592,636	110,021	(598,659)	3,103,998	33,687,655	166,034,107	6,308,312	172,342,419
Increase (decreased) for error correction	-	-	-	103,733	103,733	(800,702)	(696,969)	-	(696,969)
Restated initial balance	129,242,454	3,592,636	110,021	(494,926)	3,207,731	32,886,953	165,337,138	6,308,312	171,645,450
CHANGES IN EQUITY									
COMPREHENSIVE INCOME									
Gain (Loss)	-	-	-	-	-	34,265,673	34,265,673	731,570	34,997,243
Other comprehensive income	-	(12,265,161)	(291,029)	(207,508)	(12,763,698)	-	(12,763,698)	(576,373)	(13,340,071)
Total comprehensive income	-	(12,265,161)	(291,029)	(207,508)	(12,763,698)	34,265,673	21,501,975	155,197	21,657,172
Dividends									
Dividends	-	-	-	-	-	(26,803,615)	(26,803,615)	(648,990)	(27,452,605)
Total increase (decrease) in equity	-	(12,265,161)	(291,029)	(207,508)	(12,763,698)	7,462,058	(5,301,640)	(493,793)	(5,795,433)
Equity at December 31, 2020	129,242,454	(8,672,525)	(181,008)	(702,434)	(9,555,967)	40,349,011	160,035,498	5,814,519	165,850,017

CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2021 and 2020 (in 000's CLP)

CONSOLIDATED STATEMENT OF DIRECT CASH FLOW	NOTE	01.01.2021 to 12.31.2021 Th\$	01.01.2020 to 12.31.2020 Th\$
Cash flow from (used in) operating activities			
TYPE OF COLLECTION BY OPERATING ACTIVITY			
Collection from the sale of goods and services rendered		690,446,218	511,444,372
Other collections (payments) from operating activities		5,355,604	2,384,468
TYPE OF PAYMENT			
Payments to suppliers for goods and services		(445,289,541)	(276,919,436)
Payments to and on behalf of employees		(43,021,862)	(39,798,847)
Other payments for operating activities		(110,320,160)	(89,714,838)
Income taxes refunded (paid)		(12,198,657)	(11,681,767)
Other cash receipts (payments)		6,123,989	2,966,166
Net cash flow from operating activities		91,095,591	98,680,118
Cash flow from (used in) investing activities			
Cash flows used to acquire control of subsidiaries or other businesses		(2,146,340)	-
Proceeds from sale of property, plant and equipment		14,282,010	1,178,200
Purchases of intangible assets	11.3	(2,849,209)	(2,122,357)
Purchases of property, plant and equipment	13.2	(39,704,485)	(37,459,198)
Proceeds (payments) from other long-term assets		(1,868,612)	(6,506,955)
Other cash inflows (outflows)		(983,604)	(1,961,963)
Net cash flow used in investing activities		(33,270,240)	(46,872,273)

CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2021 and 2020 (in 000's CLP)

CONSOLIDATED STATEMENT OF DIRECT CASH FLOW	NOTE	01.01.2021 to 12.31.2021 Th\$	01.01.2020 to 12.31.2020 Th\$
Cash flows from (used in) financing activities			
Proceeds from issuance of shares		-	-
Proceeds from long-term loans		3,292,642	82,525,916
Proceeds from short-term loans		717,281	1,827,906
Total loan proceeds		4,009,923	84,353,822
Payment of loans	14-3	(1,172,126)	(44,357,839)
Payment of financial lease liabilities	14-3	(4,425,993)	(4,227,516)
Payment of lease liabilities	15	(7,255,843)	(6,206,361)
Interest paid on financial leases	14-3	(9,555,802)	(6,864,064)
Interest paid on leases	15	(1,085,921)	(1,120,947)
Dividends paid		(53,604,383)	(27,452,605)
Net cash flows from (used in) financing activities		(73,090,145)	(5,875,510)
Net increase (decrease) in cash and cash equivalent before the effect of changes in the exchange rate		(15,264,794)	45,932,335
Effects of exchange rate variations on cash and cash equivalent		(1,273,971)	(655,458)
Net increase (decrease) in cash and cash equivalent		(16,538,765)	45,276,877
Cash and cash equivalent at the beginning of the period or fiscal year		62,317,022	17,040,145
Cash and cash equivalent at the end of the period or fiscal year		45,778,257	62,317,022

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (000's CLP)	2021	2020
Current assets	151,281,267	132,617,923
Non-current assets	472,701,969	426,629,684
Total Assets	623,983,236	559,247,607
Current liabilities	93,076,853	70,737,368
Non-current liabilities	362,092,106	322,660,222
Equity	168,814,277	165,850,017
Total Liabilities and Shareholders' Equity	623,983,236	559,247,607

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION (000's CLP)	2021	2020
Revenues	695,967,071	508,164,262
Cost of sales	(492,482,021)	(320,353,826)
Gross margin	203,485,050	187,810,436
Other income, by function	693,642	735,240
Other expenses, by function	(35,029,958)	(27,985,593)
Distribution costs	(56,631,623)	(53,781,732)
Administrative expenses	(44,990,018)	(44,875,778)
Financial income	3,739,512	1,201,113
Finance costs	(11,577,905)	(9,369,643)
Exchange differences	1,281,511	(939,254)
Income (loss) from indexation units	(1,367,598)	(4,052,380)
Other gains (losses)	4,800,411	(1,215,460)
Income (Loss) before taxes	64,403,023	47,526,948
Income tax expense	(18,404,011)	(12,529,706)
Profit (loss)	45,999,013	34,997,243
Profit (loss), attributable to owners of the controlling shareholder	45,486,869	34,265,673
Profit (loss), attributable to non-controlling interest	512,144	731,570
Profit (loss)	45,999,013	34,997,243

Statement of responsibility

The directors and the General Manager of Empresas Lipigas S.A. who sign this statement are responsible under oath for the truthfulness of the information provided in this Integrated Report, prepared in accordance with General Rule No. 461 of the Financial Market Commission (CMF).

The aforementioned statement, also available on the CMF website, can be downloaded below:

Statement of responsibility





ESG INFORMATION

(Environmental, Social, Governance)

ABOUT THIS REPORT AND RELEVANT ISSUES

Empresas Lipigas has prepared its first Integrated Report with the purpose of informing stakeholders about the company's strategy, priorities, and performance with respect to the most important financial, commercial, and sustainability-related issues.

The report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, and General Standard No. 30. of Chile's Financial Market Commission (CMF). In addition, certain requirements of Chile's new General Standard No. 461 published by the CMF in November 2021 have been incorporated. The Report focuses on the most relevant issues for Lipigas and its stakeholders, as determined in accordance with the aforementioned guidelines.

The information presented addresses the Company's management during the year 2021. It also includes data from previous years to provide greater context, as well as the main events occurring at the date of publication of this document. The report covers the operations of Empresas Lipigas in Chile, Colombia and Peru. In each section, the scope of each indicator associated with the material issue is described in detail.

The document was prepared by a cross-functional work team from the Company, who were advised by external experts. The team was in charge of ensuring GRI principles were followed as well as collecting and validating the information reported.

RELEVANT ISSUES

The company conducted a Dual Materiality analysis to determine the most relevant topics to report in the Environmental, Social, and Governance (ESG) aspects, which were then supplemented with the most relevant financial, commercial, and business development issues. Some aspects of the CMF's new NCG No. 461, which was published in November 2021, were included in the materiality analysis.

The first step in this process was to identify the issues that arose from the following perspectives:

- **Main impacts of Empresas Lipigas on the environment:** issues contained in the GRI Oil and Gas sector standard were considered, in addition to those addressed during Sustainability Committee meetings.
- **Main environmental impacts on the creation of financial value of Empresas Lipigas:** we considered the relevant issues addressed by the Information Technology Services sector of the Dow Jones Sustainability Index and the new standard No. 461 of the CMF

in Chile. The latter incorporates both the SASB¹ requirements for the sector, and the TCFD² climate change guidelines. It also included the World Economic Forum's Global Risk Report 2021's perspective on the main global risks, the Chilean government's road map on climate change, and discussions that have occurred in Chile within the framework of the Constitutional Convention.

Furthermore, the main issues arising from Empresas Lipigas' strategic plan, issues addressed by the Sustainability Committee, and meetings with the executive team in Chile, Colombia, and Peru were addressed.

This activity produced a list of relevant issues that were analyzed and prioritized during a meeting of the Sustainability Committee. Subsequently, meetings were held with members of the Sustainability Committee and executives of Empresas Lipigas to address each of these material issues and define the management approach, the key aspects to be reported, and the outstanding initiatives and indicators.

MOST RELEVANT ISSUES TO REPORT

Environment	<ul style="list-style-type: none"> - Climate change response strategy - Prevention of environmental impacts
Society	<ul style="list-style-type: none"> - Quality of employment and inclusion - Labor safety and operational excellence - Inclusive energy access
Governance	<ul style="list-style-type: none"> - Business model resilience, responsible growth, and governance - Risk management - Integrity and compliance - Cybersecurity and data protection - Customer value proposition - Responsible value chain

¹ <https://www.sasb.org>

² <https://www.fsb-tcfd.org>

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, SDGs

The United Nations Sustainable Development Goals (SDGs) are a call to action to end poverty, protect the planet and improve the lives and prospects of people globally. In 2015 all UN Member States adopted the 17 goals and 169 associated targets as part of the 2030 Agenda for Sustainable Development. The decade 2020 - 2030 will be fundamental in the realization of the SDGs to address growing poverty, empower women and girls, and address the climate and health emergency.

The SDGs represent an opportunity for businesses to develop and implement solutions and technologies that will contribute to a more sustainable future for society. Adhering to the SDGs requires Empresas Lipigas to have a strategic guide to direct its contribution in economic, social, and environmental matters. In the table, you can see how these commitments have been undertaken during 2021.



CONTRIBUTION OF EMPRESAS LIPIGAS TO THE SDGs IN 2021



The versatility of gas, especially bulk gas, makes it an ideal option in isolated areas; a less polluting alternative than other fuels for low-income sectors that use firewood for cooking and heating; and an excellent option during emergencies or natural disasters, since it is easy to transport.

- Support for customers during the pandemic: suspension of supply cut-offs for non-payment of mains gas, postponement of unpaid balances, and debt repayment program (page 86).
- Reduction of energy poverty: support for vulnerable groups and energy inclusion initiatives (pages 66-68).
- Support for Fundación Emplea's labor activation project.
- Lipigas acquired a telecommunications company in Colombia that will enable it to provide high quality internet connection to communities with limited connectivity and scarce resources that currently do not have this service.



We provide cleaner, low-carbon fuels, which will be key in the transition to an energy model that contributes to the global climate, the air in cities and the reduction of indoor air pollution. We offer versatile and efficient energy in Chile, Colombia and Peru.

- Creation of Green Hydrogen and Biofuels Management (page 27).
- Incursion in carbon-neutral energy projects such as Bio-LPG and green hydrogen (pages 28-29).
- Implementation of several projects to replace diesel with LPG in Colombia.
- Improvements in accessibility and customer experience through innovation and digital technologies. In 2021, digital channels were consolidated (pages 88-89).
- Acquisition of distributed solar energy company Four Trees (page 29).
- Inauguration of the first LNG refueling station in Chile for heavy-duty trucks (page 31).
- Development of projects for the production of peroxides in southern Chile using LNG as raw material.



- Start of LNG commercialization in the mining industry and in the northern part of the country through the LNG Mejillones Terminal.
- Change of fuel for Limagas' (Peru) diesel distribution truck fleet to compressed natural gas (CNG).
- Start of operation of the first natural gas vehicle (NGV) refueling station in Cusco, Peru.
- Diesel substitution projects for electricity generation and cogeneration with liquefied gas in hotels and remote locations in Chile without access to electrical grids.



Our Integration and Diversity Policy, as well as our Gender Parity Policy, promotes diversity and respect for all people (pages 55-57).

Our diversity management includes addressing the working conditions of people with disabilities, those who have committed crimes, migrants and/or representatives of indigenous peoples, sexual diversity and gender identity, and young people between 18 and 29 years of age.

- Implementation of a communication plan to involve employees in gender parity.
- Adherence to the Gender Parity Initiative (GPI) of the World Economic Forum IDB in Chile (page 60).
- Participation in the gender and equity committees (WINLLPG) in Colombia (page 60).
- Partnership in Chile with foundations supporting people with disabilities, such as Somos Empleo, Wazú and Best Buddies (page 59).
- Eighth year of support for Comunidad Mujer Mujeres por la Equidad competitive funding in Chile (page 156).
- Lipigas acquired a telecommunications company in Colombia that will enable it to provide high-quality internet connection to communities that are far from connectivity and have limited resources that currently do not have this service.





The company offers quality working conditions that contribute to the well-being, health, development and personal life balance of its employees, in an environment of harmony and respect for diversity. Also, our company promotes a fair and respectful treatment with our contractors and suppliers.

- We implement protection and prevention protocols and measures to safeguard the health of our workers, contractors and clients.
- We provide emotional, labor and economic support to all our workers through benefit programs.
- Several awards for Best Place to Work and from companies for professional internships (page 46).
- Internal Mobility Program (page 52).
- Continuation of training and talent management programs (pages 48-51).
- Telework Policy in Chile (page 47).
- Contractors: we implemented a training plan and developed Standards of Conduct in our relationship with contractors. 71% implementation of a program to improve contractors' conditions. Creation of a platform for contractors and digital credentials (page 61).



In Chile, Colombia, and Peru, we are a gateway to a lower-emissions economy. Both liquefied petroleum gas (LPG) and natural gas (NG) are an alternative energy source with lower GHG and particulate matter emissions (pages 30-34).

Through innovation and digital technologies, it improves accessibility and customer experience (pages 89-90).

Environmental impacts are responsibly managed (pages 41-43).



We provide cleaner, low-carbon fuels, key to the transition to a decarbonization-based model.

LPG's CO₂ emissions are 18% lower than those of diesel oil, 20% lower than heavy oil, and 30% lower than those of coal. Also, particulate matter emissions from LPG, which are equivalent to almost zero, are 99% lower than those produced by firewood.

- The climate risk matrix was defined as part of the Climate Change Adaptation Strategy and the carbon footprint was measured using an international standard (pages 38-41).
- An energy efficiency project was started to measure the energy consumption of all plants in Chile (page 37).
- Water footprint measurement was initiated in Chile (page 42).
- Most of the materials used in plant operations are recyclable or can be reused; therefore, there is not a large amount of waste disposal (page 44).



The Company has policies, practices and procedures that guarantee good corporate governance, prevent corruption and promote free competition.

- We have Sustainability Principles, the Code of Conduct, the Crime Prevention Model and the following Compliance policies: free competition, anti-corruption, interaction with public officials, inclusion and diversity, environmental, and occupational safety, operational and occupational health (pages 78-81).
- The work carried out by the Sustainability Committee, created in 2020, was consolidated.



RELATIONSHIP WITH OUR STAKEHOLDERS

Empresas Lipigas has historically pursued to promote closeness with its stakeholders, in its commitment to establish relationships of collaboration and trust with those who are part of its sphere of action. In this context, in 2021 continued in Chile the “listening process” that had begun the previous year with a diagnosis whose purpose was to update the map of the Company’s stakeholders, establishing new priorities based on new scenarios and strategic definitions for the different business lines.

As a result of this diagnosis, at least three new focuses emerge:

- Customers - priority group par excellence in Lipigas. They were separated by business lines, considering their diverse profiles and needs (bottled, bulk, electricity, large industries, etc.).
- Communities located near direct distribution plants. Some of them have coexisted with Lipigas for a long time and others are new.
- Direct delivery carriers (transportation carriers or “fleteros” operating in their own plants) with a focus on safety and job quality.

Consequently, during the first half of 2021, the plan called for a variety of listening sessions with prioritized stakeholders and with others for whom permanent communication mechanisms had not been identified. A specific case was that of the

communities located near the plants, a group with whom interviews and conversations were organized, primarily virtually (due to the pandemic) and consisting of people living near seven plants. Those who were aware of emergency action plans had fewer safety-related concerns, and noise-related issues have been mitigated through actions such as defining operating hours and installing noise-reducing elements, among others.

In addition, the company has a department for relations with external stakeholders and the press, which is responsible for responding to all requests for information regarding the financial, economic or legal situation, as well as other matters related to the company’s various business lines. Additionally, investors and shareholders can contact Investor Relations via a form on the company’s website with any questions they may have.

PROFILE OF OUR STAKEHOLDERS

	Customers	Workers	Distributors	Transportation carriers (“fleteros”)
Who are they?	Individuals, businesses, industries, and institutions who purchase or receive Lipigas’ products or services.	They are the people who work for Lipigas, through a contract with the company in its different areas.	Wholesalers that facilitate the sale and distribution of cylinder-bottled LPG.	Providers of transportation and delivery services of cylinder-bottled LPG.
How do we interact?	<ul style="list-style-type: none"> - On a daily basis by delivering products and services. - Sales and Customer Service-related multichannel communication, predominantly through digital media. - Service evaluations. - Via a variety of specialized programs and agreements with individuals and/or organizations. - With energy solutions that satisfy their energy and sustainability requirements (industrial customers) 	<ul style="list-style-type: none"> - Daily labor relations with direct headships. - Internal communication channels and mechanisms. - Labor Relations Deputy Management. - Internal consultants. 	<ul style="list-style-type: none"> - Commercial agreements. - Communication with regional agents and channel headships. 	<ul style="list-style-type: none"> - Commercial agreements. - Through direct contact with the centers’ headships. - Through the Platform for transportation carriers.
What are their main interests and concerns?	<ul style="list-style-type: none"> - Product price. - Product/service quality. - Product safety and protection against COVID-19. - Information transparency. - Climate change and decontamination (industrial customers). - Energy matrix diversification (industrial customers). 	<ul style="list-style-type: none"> - Company sustainability and labor stability. - Decent and fair working conditions. - Health and safety. - Opportunities for development. - Quality of working life. - Work-life balance. - Work environment. - Gender parity. 	<ul style="list-style-type: none"> - Fair treatment. - Compliance of agreements. - Product price. - Product/service quality. - Transparency of information. 	<ul style="list-style-type: none"> - Fair treatment by the company and by the community. - Health and safety. - Company sustainability and labor stability.

	Contractors/suppliers	Community/people that live nearby	Regulators/ supervisors/legislators	Investors/shareholders
Who are they?	<p>Contractors: Companies with which a contract is signed to perform regular or permanent services, both within and outside of Lipigas facilities.</p> <p>Suppliers: Individuals or companies that provide goods or services at the request of Lipigas, receiving a monetary payment.</p>	<p>People or group of people located in a geographical area close to our facilities that may be impacted -positively or negatively- by the development of our activity.</p>	<p>State agencies that ensure that the company's activities are carried out in accordance with current regulations, safeguarding safety, consumer rights, free competition and/or transparency in the provision of information. Also proposing regulatory modifications in these and other matters.</p>	<p>Individuals or legal entities that invest in Lipigas, through different financial instruments.</p>
How do we relate with each other?	<p>Contractors:</p> <ul style="list-style-type: none"> - Via the appropriate Contract Manager. - Relationship with the Contractor Management division. - Via the Platform for Contractors and Suppliers. <p>Suppliers:</p> <ul style="list-style-type: none"> - Through the Contract Administrator. - Through the Purchasing and Supplier Management areas. - System for invoice processing. - Through the Contractor and Supplier Portal. 	<ul style="list-style-type: none"> - Through relationship-focused initiatives. - Through the early delivery of information on specific projects. - Via official channels of communication. 	<ul style="list-style-type: none"> - Constantly accessible to assist in the delivery of requested information. - Compliance with the applicable regulations. - Through meetings or hearings held by Chile's Lobbying Law or when required to do so by the company. 	<ul style="list-style-type: none"> - Permanent attention through the Investor Relations area. - Through quarterly conference calls and periodic meetings with analysts and investors. - Availability of relevant information at www.lipigas.com
What are their main interests and concerns?	<ul style="list-style-type: none"> - Fair conditions and timely payment. - Transparency in information. - Safety and health in Lipigas-related operations and activities. - Sustainability of the Company. 	<ul style="list-style-type: none"> - Services and products. - Security (citizen and operational). - Access to information through established channels. 	<ul style="list-style-type: none"> - Compliance with the regulations governing the various business sectors. - Protection of consumer rights - Delivery of permanent information that helps customers, shareholders, and other stakeholders make better decisions. 	<ul style="list-style-type: none"> - Transparency and clarity of information - Financial results and sustainable growth of the Company.

RESPONSIBILITY TO COMMUNITIES AND SOCIETY

Empresas Lipigas places people at the center of its work and therefore promotes responsible management towards its employees and network of external collaborators, as well as towards its customers and communities. In this way, inspired by its values of respect, care for people, transparency and excellence, it seeks to maintain a sustainable behavior through concrete actions. In 2021, as a result of the pandemic and other priorities, it focused its efforts on projects that contribute to reducing energy poverty in the countries where it operates (see pages 66-68). Additionally, in Chile it maintained some initiatives and alliances that it was already working on and that relate to the Company's interest in promoting gender parity (see page 60).

LABOR ACTIVATION PROJECT

40 women were successfully trained in digital skills, thanks to the support of Lipigas and Fundación Emplea. The objective of the course was to bridge gaps and turn participants into autonomous and empowered digital users.

DIVERSITY AND INCLUSION MANAGEMENT
HANDBOOK FOR BUSINESSES

Empresas Lipigas supported the creation of this document by *Acción Empresa* so that more organizations can develop a respect-based culture and incorporate the concept of diversity into their daily practices and actions.

WOMEN FOR EQUITY COMPETITIVE
FUNDING

For the eighth consecutive year, Empresas Lipigas collaborated with Comunidad Mujer in the development of the Competitive Funding *Mujeres por la Equidad*, whose purpose is to strengthen the work carried out by Chile's territorial organizations in the field of gender and to support the development of initiatives that promote this issue.

MEMBERSHIPS AND ASSOCIATIONS

In Chile, Colombia, and Peru, Empresas Lipigas is a member of a number of organizations through which it generates knowledge and participates in working groups to increase public awareness of the energy sector's activities.

ENERGY	SUSTAINABILITY	CORPORATE	LOCAL DEVELOPMENT
<ul style="list-style-type: none"> - World LPG Association, WLPGA - Asociación Iberoamericana de Gas Licuado, AIGLP - GLP Chile - Asociación Chilena de Comercializadores de Energía, ACEN - Asociación Chilena de Energía Solar - ACESOL - Sociedad Peruana de Hidrocarburos, SNMPE - Sociedad Nacional de Minería, Petróleo y Energía (Peru) - Sociedad Peruana de Gas Licuado, SPGL - Asociación Colombiana de GLP, GASNOVA 	<ul style="list-style-type: none"> - Acción Empresas (Chile) - Generación Empresarial (Chile) - Comité de Sostenibilidad de la Cámara de Comercio de Santiago - Red de Empresas Embajadoras de la Fundación Carlos Vial Espantoso (Chile) 	<ul style="list-style-type: none"> - Instituto Chileno de Administración Racional de Empresas ICARE (Chile) - Sociedad de Fomento Fabril, SOFOFA (Chile) - Cámara de Comercio de Valparaíso (Chile) - Cámara de Comercio de Santiago (Chile) - Cámara de Comercio Peruano Chilena (Peru) 	<ul style="list-style-type: none"> - Pro O'Higgins (Chile) - Pro Antofagasta (Chile) - Pro Aconcagua (Chile) - Turismo Antofagasta (Chile)

**MAP OF PLAYERS
BASED ON PROXIMITY
TO THE BUSINESS**

(Resulting from
workshops with different
management areas)



SUSTAINABILITY PERFORMANCE SUMMARY

Classified according to the Sustainability Principles of Empresas Lipigas

INDICATOR	CALCULATION BASIS		GRI STANDARDS INDICATOR	2019	2020	2021
PRINCIPLE 1: CONTRIBUTION TO THE ENERGY DEVELOPMENT OF THE COMMUNITIES IN WHICH WE OPERATE						
ENERGY SOLUTIONS FOR THE FUTURE						
CO ₂ emissions avoided in Chile thanks to energy substitution projects for large customers	Tons/year			11,753	18,000	7,748
PRINCIPLE 2: RELIABILITY AND CLOSENESS TO OUR CUSTOMERS AND THE COMMUNITY						
CUSTOMER VALUE PROPOSITION						
Net Promoter Score (NPS) bottled GLP in Chile	Percentage			62%	51%	48%
Cylinder claims rate in Chile	Number of claims per every one thousand orders			n/a	2.7	2.8
Residential bulk claims rate in Chile	Number of claims per every one thousand orders			n/a	17	21
LipiApp satisfaction	Satisfaction index			n/a	78%	85%
INCLUSIVE ACCESS TO ENERGY						
	Percentage served with respect to total					
Communes, municipalities and provinces served by Empresas Lipigas	Chile	102-7		99%	99%	99%
	Colombia	102-7		94%	94%	94%
	Peru	102-7		67%	67%	63%
PRINCIPLE 3: SAFE AND RESPONSIBLE OPERATION						
SAFETY AND OPERATIONAL EXCELLENCE						
Accidents with serious or fatal consequences for the community and/or direct collaborators	Number		403-9; 11.9.10	0	0	9
Fatalities	Number of fatalities in own employees		403-9; 11.9.10	0	0	0
Accident rate						
	Chile	Number of accidents/yearly average number of workers	403-9; 11.9.10	1.3	1.6	1.2 ¹
	Colombia	Number of accidents/yearly average number of workers	403-9; 11.9.10	1.4	4.7	3.9
	Limagas GLP	Number of accidents/yearly average number of workers	403-9; 11.9.10	2.1	0.5	1.7
	Limagas Natural	Number of accidents/yearly average number of workers	403-9; 11.9.10	0	0	0.6
Occupational illnesses	Number		403-10; 11.9.11	0	0	0
Coverage of the occupational safety management system	Percentage of own employees covered by a certified safety system					
	Chile	Percentage	403-8; 11.9.9		100%	85% ²
	Colombia	Percentage	403-8; 11.9.9		100%	100%
	Limagas GLP	Percentage	403-8; 11.9.9		49%	51%
	Limagas Natural	Percentage	403-8; 11.9.9		0%	54%

¹ Only own employees.

² Considers only plant and parent company employees.

INDICATOR		CALCULATION BASIS	GRI STANDARDS INDICATOR	2019	2020	2021
PRINCIPLE 3: SAFE AND RESPONSIBLE OPERATION						
Accidents with serious or fatal consequences for collaborators and/or the community						
	Chile	Number	403-9	n/a	0	7
	Colombia	Number	403-9	n/a	0	3
	Limagas GLP	Number	403-9	n/a	0	0
	Limagas Natural	Number	403-9	n/a	0	0
MINIMIZE ENVIRONMENTAL IMPACTS						
CO ₂ emissions - Chile	Total CO ₂ tons	11.1	n/a	n/a	1,929,707	
	Scope 1	CO ₂ tons	305-1; 11.1.5	n/a	n/a	28,882
	Scope 2	CO ₂ tons	305-2; 11.1.6	n/a	n/a	2,828
	Scope 3	CO ₂ tons	305-3; 11.1.7	n/a	n/a	1,897,996
Environmental fines	Number	307-1	0	0	0	
	US\$ amount	307-1	0	0	0	
Incidents	Number of operational accidents with environmental impact	307-1	0	0	0	
PRINCIPLE 4: QUALITY EMPLOYMENT						
COLLABORATORS						
Total collaborators	Number	102-8	1,982	2,204	2,280	
Details of employee indicators by role, formality and labor adaptability can be found on page 58 of this Report.						
DIVERSITY						
Total women	Number	102-8; 405-1; 11.11.5	517	556	568	
	Percentage with respect to total number of employees	102-8; 405-1; 11.11.5	26%	25%	25%	
Women in executive positions (managers and deputy managers)						
	Chile	Percentage with respect to total number of employees in executive positions	102-8; 405-1	n/a	25%	27%
	Colombia	Percentage with respect to total number of employees in executive positions	102-8; 405-1	n/a	18%	40%
	Limagas GLP	Percentage with respect to total number of employees in executive positions	102-8; 405-1	n/a	0%	0%
	Limagas Natural	Percentage with respect to total number of employees in executive positions	102-8; 405-1	n/a	0%	0%

INDICATOR	CALCULATION BASIS	GRI STANDARDS INDICATOR	2019	2020	2021
PRINCIPLE 4: QUALITY EMPLOYMENT					
WOMEN IN HEADSHIP POSITIONS					
Chile	Percentage with respect to total number of employees in headship positions	102-8; 405-1	n/a	31%	26%
Colombia	Percentage with respect to total number of employees in headship positions	102-8; 405-1	n/a	42%	35%
Limagas GLP	Percentage with respect to total number of employees in headship positions	102-8; 405-1	n/a	20%	20%
Limagas Natural	Percentage with respect to total number of employees in headship positions	102-8; 405-1	n/a	0%	0%
Details of diversity indicators by nationality, age and seniority, separated by gender, can be found on page 38.		102-8; 405-1			
TRAINING					
Average training hours	Average hours per collaborator				
	Chile	404-1; 11.10.6	8	10	10
	Colombia	404-1; 11.10.6	16	13	18
	Peru - Limagas GLP	404-1; 11.10.6	4	1	7
	Peru - Limagas Natural	404-1; 11.10.6	9	2	10
Amount invested in training	US\$	404-1	421,047 ³	503,362	421,429
UNIONIZATION					
	Percentage of unionized employees with respect to country total				
Chile	Percentage	405-1	69%	69%	70%
Colombia	Percentage	405-1	0%	0%	0%
Limagas GLP	Percentage	405-1	7%	7%	7%
Limagas Natural	Percentage	405-1	0%	0%	0%
INTERNAL MOBILITY					
	Percentage of vacancies that were filled by internal personnel				
Chile	Percentage		18%	42%	41%
Colombia	Percentage		4%	2%	21%
Limagas GLP	Percentage		3%	3%	5%
Limagas Natural	Percentage		18%	20%	0%

³ Includes Chile only

INDICATOR	CALCULATION BASIS	GRI STANDARDS INDICATOR	2019	2020	2021
PERFORMANCE EVALUATION					
	Percentage of employees undergoing performance evaluations				
Chile	Percentage	404-3	100%	100%	94%
Colombia	Percentage	404-3	69%	76%	67%
Limagas GLP	Percentage	404-3	77%	80%	90%
Limagas Natural	Percentage	404-3	n/a	0%	100%
LABOR SATISFACTION					
	Percentage of favorability in labor climate survey				
Chile	Percentage		85%	90%	89%
Colombia	Percentage		68%	Not applied	87%
Limagas GLP	Percentage		Not applied	80%	Not applied
Limagas Natural	Percentage		66%	74%	Not applied
PRINCIPLE 5: SUSTAINABLE, ADAPTIVE AND INTEGRAL BUSINESS					
FINANCIAL PERFORMANCE					
Sales					
LPG	Thousand tons	102-7	694	685	740
NG	Million cubic meters	102-7	126	121	143
Revenues	CLP\$ million	102-7	492,869	508,164	695,967
	US\$ million	102-7	701	805	824
EBITDA	CLP\$ million	102-7	104,347	96,274	105,036
	US\$ million		148	121	124
Chile	EBITDA as a percentage of total EBITDA	102-7	84%	83%	80%
Colombia	EBITDA as a percentage of total EBITDA	102-7	5%	15%	12%
Peru	EBITDA as a percentage of total EBITDA	102-7	11%	2%	8%
Market capitalization	CLP\$ million	102-7	528,121	479,125	249,864
	US\$ million	102-7	709	674	296

INDICATOR	CALCULATION BASIS	GRI STANDARDS INDICATOR	2019	2020	2021
PRINCIPLE 5: SUSTAINABLE, ADAPATIVE AND INTEGRAL BUSINESS					
GOVERNANCE					
Board of Directors					
Total directors	Number	102-22	7	7	7
Female directors	Number	102-22; 405-1; 11.11.5	0	0	0
Directors holding executive positions in the company	Number	102-22	0	0	0
Independent directors	Number	102-22	3	3	3
Directors under 50 years old	Number	102-22; 405-1	0	0	0
Directors between 51 and 60 years old	Number	102-22; 405-1	3	3	2
Directors between 61 and 70 years old	Number	102-22; 405-1	4	4	5
Directors over 71 years old	Number	102-22; 405-1	0	0	0
Details of diversity indicators, including directors and alternate directors, by gender, independence, nationality, seniority in the organization, age range and disability status can be found on page 73.					
INTEGRITY					
Complaint hotline					
Complaints received	Total number of complaints received during the year	102-17	86	105	84
Complaints resolved	Percentage of total complaints received during the year	102-17	92%	100%	62%
Corruption					
Board members informed and trained on anti-corruption policies and procedures	Porcentaje	205-2	100%	100%	100%
Employees informed and trained on anti-corruption policies and procedures	Percentage informed and trained on during the year	205-2	78%	100%	100%
Training on harassment in the workplace and sexual harassment	Percentage of collaborators trained in the prevention of harassment in the workplace and sexual harassment.				100%
Sexual harassment complaints	Number				1
Complaints of harassment in the workplace	Number				0
Discrimination incidents	Number	406-1; 11.11.7	1	0	0
Unfair competition cases	Number of pending or completed legal actions for unfair competition, monopolistic or anti-competitive practices in which the organization has been identified as a participant	206-1; 11.19.2	0	0	0

INDICATOR	CALCULATION BASIS	GRI STANDARDS INDICATOR	2019	2020	2021
LEGAL AND REGULATORY COMPLIANCE					
Regarding customers	Number of enforced sanctions	419-1	n/a	n/a	0
	Amount of enforced sanctions (Million CLP\$)	419-1	n/a	n/a	0
Regarding employees	Number of enforced sanctions	419-1	n/a	n/a	3
	Amount of enforced sanctions (Million CLP\$)	419-1	n/a	n/a	10
Regarding the environment	Number of enforced sanctions	307-1	0	0	0
	Amount of enforced sanctions (Million CLP\$)	307-1	0	0	0
Regarding free competition	Number of enforced sanctions	206-1; 11.19.2	n/a	n/a	0
	Amount of enforced sanctions (Million CLP\$)	206-1; 11.19.2	n/a	n/a	0
Other fines	Number of enforced sanctions		n/a	n/a	6
	Amount of enforced sanctions (Million CLP\$)		n/a	n/a	215
RESPONSIBLE PROCUREMENT					
Timely payment to suppliers		Percentage of invoices paid by due date with respect to total invoices			
Chile	Within 30 days		n/a	n/a	100%
	Between 31 and 60 days		n/a	n/a	0%
	More than 60 days		n/a	n/a	0%
Colombia	Within 30 days		n/a	n/a	98%
	Between 31 and 60 days		n/a	n/a	2%
	More than 60 days		n/a	n/a	0%
Peru - Limagas GLP	Within 30 days		n/a	n/a	89%
	Between 31 and 60 days		n/a	n/a	11%
	More than 60 days		n/a	n/a	0%
Peru - Limagas Natural	Within 30 days		n/a	n/a	91%
	Between 31 and 60 days		n/a	n/a	9%
	More than 60 days		n/a	n/a	0%
Details of the indicators of amount and invoices paid by payment term can be found on page 94.					

n/a: Information not available

DIVERSITY ON THE BOARD OF DIRECTORS 2021

		Directors		Alternate	
		Men	Women	Men	Women
Gender		7	0	4	3
Nationality	Chilean	7		4	2
	Foreign	0		0	1
Age	Younger than 30 years old	0		0	0
	Between 30 and 40 years old	0		1	0
	Between 41 and 50 years old	0		0	1
	Between 51 and 60 years old	2		2	2
	Between 61 and 70 years old	5		1	0
	More than 71 years old	0		0	0
Seniority	Less than 3 years	2		4	2
	Between 3 and 6 years	1		0	0
	More than 6 and less than 9 years	0		0	1
	Between 9 y 12 años	2		0	0
	More than 12 years	2		0	0
Disability status	Number of people with disabilities	0		0	0



GRI TABLE OF CONTENTS

CORE OPTION STANDARDS

GRI Standard	Content	Page number or URL	Omission
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
	102-1 Name of organization	Cover page	
	102-2 Activities, brands, products and services	8, 97, 98, 100-106	
	102-3 Location of headquarters	Headquarters are located in the city of Santiago, Chile.	
	102-4 Location of operations	9, 86	
	102-5 Ownership and legal form	7, 74, 118	
	102-6 Markets served	8, 97, 98, 100-106	
	102-7 Scale of the organization	9, 11, 12, 161	
	102-8 Information on employees and other workers	9, 47, 159, 160	
	102-9 Supply chain	91-93, 161	
	102-10 Significant changes to the organization and its supply chain	16, 17, 123	
GRI 102: General Disclosures 2016	102-11 Precautionary Principle or approach	The Sustainability Principle "We operate in a safe and responsible manner" and the Code of Conduct ensure the application of the precautionary approach as part of the Company's actions.	
	102-12 External initiatives	157	
	102-13 Association membership	157	
	102-14 Statement by senior executives responsible for decision-making	3, 4	
	102-15 Main impacts, risks and opportunities	10, 41-43, 76, 77, 124-126	
	102-16 Values, principles, standards and standards of conduct	6, 20-22, 79, 80	
	102-17 Advisory mechanisms and ethical concerns	80	
	102-18 Governance structure	73, 74, 109-111	
	102-19 Delegation of authority	23, 74	
	102-20 Executive-level responsibility for economic, environmental and social issues	23	
			Information not available for composition according to: number of significant positions and commitments of each person and nature of commitments; membership of underrepresented social groups; and stakeholder representation.
	102-22 Composition of the highest governing body and its committees	73, 109-111, 162	

GRI Standard	Content	Page number or URL	Omission
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
	102-23 President of the highest governing body	The Chairman of the Board of Directors does not hold executive positions within the company.	
	102-26 Role of the highest governing body in the selection of objectives, values and strategy	73	
	102-30 Effectiveness of risk management processes	76, 77	
	102-40 List of stakeholder groups	154-156, 158	
	102-41 Collective bargaining agreements	54	
	102-42 Identifying and selecting stakeholders	153, 158	
	102-43 Approach to stakeholder engagement	153	Information not available for frequency of participation by type and by stakeholder group.
	102-44 Key topics and concerns that have been raised through stakeholder engagement	154-156	
	102-45 Entities included in the consolidated financial statements	This is an integrated report covering Empresas Lipigas' operations in the three countries where it is present.	
	102-46 Defining report content and topic boundaries	149	
GRI 102: General Disclosures 2016	102-47 List of material topics	149	
	102-48 Restatements of information	The effect of any restatement of information regarding the 2020 Sustainability Report and the 2020 Annual Report, as well as the reasons for such restatement, are detailed in footnotes to the respective indicators where this has occurred.	
	102-49 Changes in reporting	Significant changes with respect to the coverage of issues are specified as footnotes when such information is presented.	
	102-50 Reporting period	149	
	102-51 Date of most recent report	2020 Sustainability Report, published in May 2021 and 2020 Annual Report published in April 2021.	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	166	
	102-54 Statement of reporting in accordance with the GRI Standards	149	
	102-55 GRI content index	163	
	102-56 External verification	134 The Financial Statements have been externally verified.	

MATERIAL ISSUES

GRI Standard	Content	Page number or URL	Omission
CLIMATE CHANGE RESPONSE STRATEGY			
GRI 103: Management approach 2016	103-1 Explanation of the material issue and its coverage	26,27	
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GRI 305: Emissions 2016	305-1 (11.1.5) Direct emissions (scope 1)	36, 159	
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GRI 306: Waste 2020	306-3 Waste generated	43	
QUALITY EMPLOYMENT AND INCLUSION			
GRI 103: Management approach 2016	103-1 Explanation of the material issue and its coverage	45	
	103-2 Management approach and its components	45	
	103-3 Evaluation of management approach	45,46	
GRI 404: Training and teaching 2016	404-1 (11.10.6) Average hours of training and amount invested	50, 160	
	404-2 Programs for upgrading employee skills and transition assistance programs	48-51	
	404-3 Performance evaluation and career development	52, 160	Information not broken down by gender and employment category.
GRI 405: Diversity and Equal Opportunity 2016	405-1 (11.11.5) Diversity in employees	55-59, 159,160	
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GRI Standard	Content	Page number or URL	Omission
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	403-3 Occupational health services	64	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	63, 64	
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GRI Standard	Content	Page number or URL	Omission
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GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations (number and amount of environmental fines; incidents with environmental impact)	81, 159	
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GRI Standard	Content	Page number or URL	Omission
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