



# Total Tax Contribution Chile 2023

May 2024





**Republishing our tax strategy and the details of the tax contribution made by our business in Chile responds to the relevance that we give to tax matters, their social role, and, in general, to the values that are part of our corporate culture**

In the context of the great challenges that our country faces today, the taxes paid by companies are fundamental for economic development, being a redistribution mechanism of wealth that brings us closer to a more equitable society. In this sense, tax transparency is a key factor to industries such as ours, that aim to contribute to a more particular sustainable development.

The results of a company must not be measured solely based on traditional financial indicators, instead, it should also consider how the company's efforts and the effects of its activity are measured and communicated.

Republishing our tax strategy and the details of the tax contribution made by our business in Chile responds to the relevance that we give to tax matters, their social role, and, in general, to the values that are part of our corporate culture, such as honesty, collaboration, and integrity. That is why Enel Chile has been releasing its Total Tax Contribution report since 2018, reporting the taxes paid to all our stakeholders.

This is one of the best international practices that we have brought to the country, and it positions us, for example, in first place in the Tax Sustainability Report published by TaxLatam, which analyzes the 30 Chilean companies with the greatest stock market presence according to the IPSA. We hope that the rest of the members of the Chilean market can replicate this practice to become a benchmark in ESG in the region, always highlighting the principle of governance and legality.



**Giuseppe Turchiarelli**

**CEO, Enel Chile**

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# 1. Enel's Chile Governance, Tax Strategy and Principles



# Tax transparency approach

Enel Chile is an industrial group whose main activity involves generation, distribution and commercialization of energy. The countries where the Group operates are chosen based on commercial assessments.

## Tax strategy

Since 2017 Enel Group has adopted a tax strategy, which has been approved by Enel's Chile Board of directors back in 2020, as a set of principles and guidelines inspired by values of transparency and lawfulness, which can be found in [www.enel.cl](http://www.enel.cl). The Group's subsidiaries are obliged to adopt the tax strategy approved by the Parent Company, thus assuming the responsibility of ensuring its recognition and application.

The Group's subsidiaries are required to adopt the tax strategy approved by the Parent Company, thereby assuming the responsibility of ensuring it is acknowledged and applied.

## Tax strategy objectives

Enel's Board of Directors sets out the tax strategy of the entire Group, with the aim of ensuring uniform tax management for all entities involved. The strategy is underpinned by the following approach:

- ✓ correct and timely determination and settlement of taxes due under the law and implementation of the respective obligations;
- ✓ correct management of the tax risk, which is the risk incurred for the violation of tax rules or abuse of the principles and purposes of the tax system.



# Tax transparency approach

## Tax strategy principles

The tax strategy principles are the guidelines for Group companies, underpinning their business operations when managing the fiscal variable. The principles also require suitable processes to be adopted to ensure their effectiveness and application.



### Values

In line with its sustainability strategy, the Group acts in accordance with the values of honesty and integrity in its tax management, being well aware that tax revenue is one of the main sources of contribution to economic and social development of the countries where it operates.



### Legality

The Group pursues behaviour geared towards compliance with the applicable tax rules and is committed to interpreting them in a way that respects both the substance and form.



### Tone at the top

The Board of Directors has the role and responsibility of leading the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.



### Transparency

The Group maintains collaborative and transparent relations with tax authorities, enabling them - among other things - to gain a full understanding of the facts underlying the application of tax rules.



### Shareholder value

The Group considers tax to be a business cost and, as such, believes that it must be managed in compliance with the principle of legality, with the aim of safeguarding the Group's assets and pursuing the primary interest of creating value for shareholders in the medium to long term.

# Tax transparency approach

## Administration

Enel Group ensures that the tax strategy is acknowledged and applied within the Company through the governance bodies. Its interpretation is left to the Parent Company, through the Tax unit, which also manages its periodic updates.

## Compliance

The Group entities must respect the principle of legality, by swiftly applying the tax laws of the countries where the Group operates, to ensure that the wording, spirit and purpose of the applicable tax rule or system is respected. Moreover, Enel Group does not undertake behaviors or domestic or cross-border operations that result in purely artificial constructions, that do not reflect the economic reality and from which it is reasonable to expect undue tax advantages, where they conflict with the purpose or spirit of tax provisions or system in question and give rise to double deduction, deduction/non-inclusion or double non-taxation, including as a result of any divergence between the tax systems of different jurisdictions.



# Tax Transparency approach

## Intercompany transactions

All intercompany relationships between the entities of the Group are determined, for tax purposes, in accordance with the arm's length principle, as stated in the OECD (Model Tax Convention and Transfer Pricing Guidelines), in order to align, as correctly as possible, the conditions and transfer prices with the places of value creation within the Group. When Group entities operate in countries where OECD derivation rules are not recognized, transfer pricing policies will have a double objective: on the one hand, to ensure consistency between the place of production of the value and the place of appraisal, and, on the other, avoid double taxation cases. To avoid tax risks, the Enel Group, in compatibility with the applicable discipline, promotes the stipulation of ruling with the local tax authorities, with the aim of defining methods for determining transfer prices, attribution of profits and losses to permanent establishments and application of the rules relating to cross-border flows between Group entities.





# Tax Transparency approach

## Low-tax jurisdictions

The Enel Group does not engage in conduct or carry out operations, local or cross-border, that result in completely artificial constructions that do not reflect economic reality and from which it is reasonable to obtain undue tax benefits, because they are against the purposes and the spirit of the provisions and of the reference tax system, generating double deduction cases, deduction/non-inclusion or double non-taxation, in turn as a result of the asymmetries between the tax systems of the different jurisdictions involved.

## Tax Management

Recognizing that the most effective way to guarantee compliance of its own work with the relevant tax discipline is to adopt an adequate internal control system, the Group implements and applies the Internal Control System and Risk Management System (SCIGR) – starting with Enel Spa, the Group's main company, gradually extending it to the companies relevance in the group – a Tax Control Framework, in line with the OECD guidelines. It guarantee that the units of the Group that manage taxation (from the Holding to the entities, when they exist), have in their endowment the resources (human, material, financial) and of suitable organizational relevance to guarantee the development of the relevant functions. The Group uses technology in the tax field, to maximize the quality and accuracy of the data that supports the management of taxation and the related declarations.



# Tax governance, control and risk management

## Governance body

Enel's organizational model, the Holding Company's Tax Affairs unit is tasked – among other things – with developing the Group's tax strategy, identifying, analyzing and managing the various optimization initiatives, monitoring the key tax issues and providing its support to the various Business Lines. Alongside the Holding Function, the Tax Affairs units of the various countries – acting in accordance with the values and principles of the tax strategy set out by the Holding Company – are responsible for managing compliance, tax planning and tax monitoring at local level.

## Organization

The Enel Group has adopted a set of rules, procedures and standards which are part of the Group's wider organization and control system and which are considered key points of reference that all parties, depending on their type of relationship with the Group, are required to observe<sup>1</sup>. The various policies and procedures applicable both at Group level and country level govern the activities, as well as their management procedures and Tax Affairs responsibilities including in relation to other corporate Functions. These documents are published on the company Intranet and are accessible to all Enel people; they form the general rules of conduct applicable within the Group when carrying out activities. Specifically in relation to taxation, in addition to the tax strategy there are specific organizational documents – both at global and local level – regarding the processes of tax compliance, tax planning, tax monitoring, transfer pricing and tax risk management.

<sup>1</sup>For example: Code of Ethics; Zero Tolerance of Corruption Plan; Enel Global Compliance Program (EGCP), corporate policies, models and procedures; the tax strategy; the Internal Control and Risk Management System; the proxy system; the sanctions system referred to in the applicable CCNL (national collective bargaining agreement); any other documentation relating to the current control systems; the relevant accounting standards; procedures and IT applications.

The Tax Units must be the appropriate size and equipped with the necessary skills to perform the role of a decision-making analysis center within the governance and business processes, in addition to the role of overseeing performance. For this purpose, specific and ongoing training initiatives on tax issues at both country and global level are set up, with recurring meetings between all of the Group's Tax Managers in order to ensure the appropriate alignment.



# Tax governance, control and risk management

## Tax risk

The Group has a Tax Control Framework (TCF) whose main aim is to provide the Tax units with a single and consistent set of guidance for adopting a correct and effective approach to tax risk management within the Group. The framework sets out guidelines and methodological rules so as to consistently assess, monitor and manage the relevant tax risk for the Group companies, in accordance with the principles and guidelines set out by the tax strategy and Tax Risk Policy, and in the awareness that the Group companies operating in different jurisdictions must adopt the TCF with respect for the specific corporate context and domestic regulations of each individual country in question.

In this regard, the Group has adopted a Tax Risk Policy whose main objective is to provide unambiguous and consistent guidance to the tax units when implementing the TCF at local level.

In accordance with the established principles and guidelines, Enel Group aims to proactively manage the tax risk and believes that adopting a TCF can ensure the timely detection, correct measurement and control of the risk tax.

The task of the TCF is to identify the sources of tax risk for the purpose of compliance interpreting tax regulations, while mapping out the respective processes and activities in order to form a network of risk detectors, to be associated with the resulting control measures.

In particular, as the set of detectors and control measures identify sources of risk, the TCF can perform a broad spectrum of control. As such, any materialization of the tax risk can be intercepted and managed by each Tax unit in question.

The effectiveness and ongoing updates of the TCF are ensured through periodic monitoring of the risk mapping, regular internal audit processes, as well as through the tax authority systems set out under cooperative compliance regimes (where implemented).

The results from the monitoring of tax risks are periodically brought to the attention of the competent Functions and corporate bodies, including to establish the most appropriate way to mitigate such risks. With regard to significant uncertain tax positions, reference should be made to the information and comments provided in the Integrated Annual Report 2021.

## Mechanism for stakeholder reports

For the Enel Group, tax compliance is considered a key aspect of the Company's ethical and responsible management. As such, the violations that can be reported through the Company's internal channels also include those relating to tax. The Group's Code of Ethics is the framework of "ethical management" in which Enel operates, also tying in fully with the tax strategy. There are appropriate provisions on Code of Ethics violations to ensure its effective implementation, and these requirements must also be considered to cover the provisions of the tax strategy.

# Transparent relationship with stakeholders

Enel Group ensures transparency and integrity in its relations with tax authorities, in the event of audits on both the Group companies and third parties. To consolidate this transparency with tax authorities, Enel Group promotes engagement in Cooperative Compliance schemes for companies that integrate the requirements of their respective domestic regulations in order to reinforce their relations. It also complies with the transfer pricing documentation provisions in accordance with OECD Guidelines, taking the “three-tiered approach” which is divided into: Master File, Local File and Country-by-Country Report. Moreover, to avoid double taxation, the Group promotes mutual agreement procedures for the settlement of international disputes (Mutual Agreement Procedure – MAP), which have the direct involvement of tax authorities from the contracting countries. Lastly, Enel consistently acts with a transparent and collaborative approach with all institutions and associations to support the development of effective tax systems in the various countries where it operates.

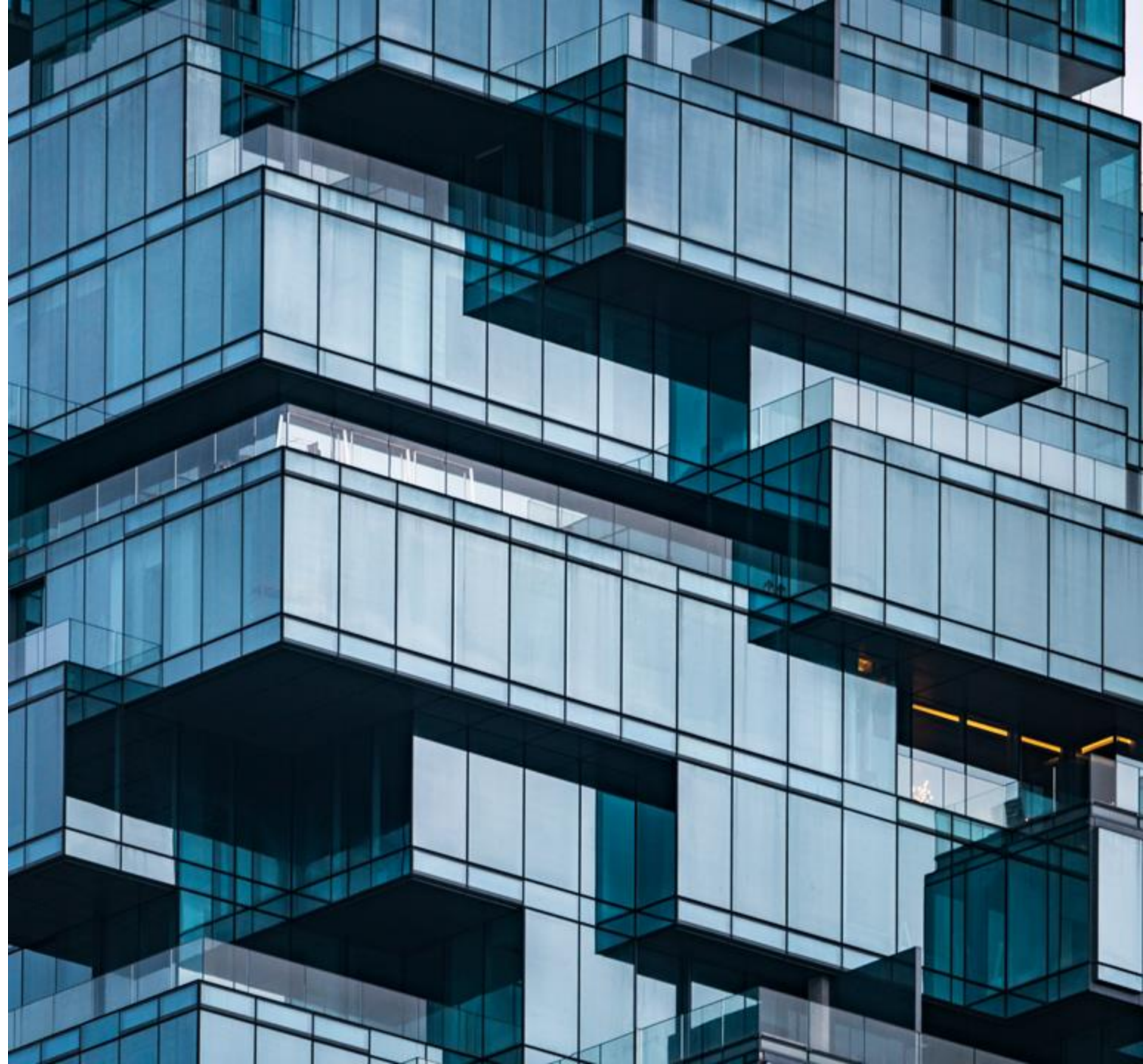
In 2019, Enel joined the European Business Tax Forum (EBTF), an association that aims to facilitate the public debate on taxation by providing a balanced and comprehensive perspective of the taxes paid by companies. This aim is pursued, in particular, by providing information and tax data to the various stakeholders. The Forum has published two studies relating to the EU/EFTA Total Tax Contribution for the years 2018 and 2019, which are available on the association’s website ([ebtforum.org](http://ebtforum.org)) and which report the aggregate data for the various types of taxes paid by the largest European multinational companies by turnover and/or by stock market capitalization, as well as, for the year 2019, a dedicated section with Country-by-Country Reporting.



## EUROPEAN BUSINESS TAX FORUM

"European business engaging in the public tax debate"

## 2. Background and purpose of the report



# Background and purpose of the report



Explaining clearly the significance of Enel's tax contribution is a priority for the Company transparency and Corporate Social Responsibility.

## Matter and scope

The PwC global network through different studies is interested in creating, maintaining, and strengthening links between companies and governments, as well as between companies and society. While the actions of companies, regardless of the industry sector to which they belong, are increasingly exposed to public scrutiny, it is essential to facilitate the dialogue between different participants, promote strong values and principles, and innovate through the exchange of analysis and ideas.

The aim of this report is to obtain and analyze the Total Tax Contribution data of Enel for 2022 and 2023.

The data for 2023, as well as the contribution profiles and indicator analysis have been compared with the equivalent data for 2022, analyzing the resulting trend.

The contribution made by Enel Chile's activities to the Chilean budget, and the way in which Enel tax contribution is, is currently a matter of socio-economic debate.

In this context, and as shown in the current tax strategy of Enel, which is made public and shared on the Company's official website, complying with the tax legislation in force at any given time is part of the principles that inspire Enel's corporate responsibility, which is of the utmost importance to the Company.

Enel decides to voluntarily disclose this Total Tax Contribution report, to reflect the importance given by the Group gives to tax matters and its level of commitment with the main stakeholders. The information offered in this report makes it possible to identify measure and show the asset that represent Enel Chile's tax contribution and have a significant impact on its reputational value.

# Background and purpose of this report

In this regard, this report aims to provide a broader scope towards the concept of Corporate Social Responsibility, promoting the social function derived from Enel Chile's tax contribution.

The method used to present the tax information provided in this report is intended to provide greater versatility and integrity to such tax information so that it can be presented in accordance with the parameters required by the different stakeholders.

The data compiled by PwC - TLS includes information received from Enel Chile, obtained from its own IT system and its internal working procedures. Our work has consisted of the analysis of the information supplied by Enel and verification of the consistency of the trends and figures reflected. Their origin has been neither verified nor audited.

Following the above, this report is based on the tax contribution numbers provided during the months of February and March. Our research work ended on May 23rd, 2024, therefore, significant events may have occurred after this date that would not be covered in this report.

## Methodology

The Total Tax Contribution (hereinafter “TTC”) methodology measures the total impact that represent the payment of taxes by a company. The methodology is simple, without using any tax technicality and therefore easy to understand for those with a limited knowledge of taxes.

TTC is a universal framework that seeks to provide an accurate and immediate summary of the taxes paid by the company in the jurisdictions in which it operates. It is implemented through the development of reports that contain benchmarks and indicators that explain the significant tax contributions of the company.

The Methodology is built around two essential criteria: the definition of a tax and the distinction between taxes that are a company's cost (taxes borne) and taxes that the company collects on behalf of the government (taxes collected). The methodology may also include “other payments” made to the government.

The key points to be bear in mind in relation to this methodology are the following:



# Background and purpose of this report

## 1. Distinguish between taxes that represent a cost for Enel Chile and the taxes that are collected

**Borne taxes** are those that Enel Chile has paid to the Chilean Authorities of the different States in which it operates. These are taxes that represent an actual cost for the Company, e.g. income taxes, social contributions, property taxes, etc.

**Collected taxes** are those that have been paid in because of Enel Chile's economic activity but which, apart from the related management expenses, imply no cost for the Company. In this scenario the Company withholds on behalf of the government, e.g. employment taxes.

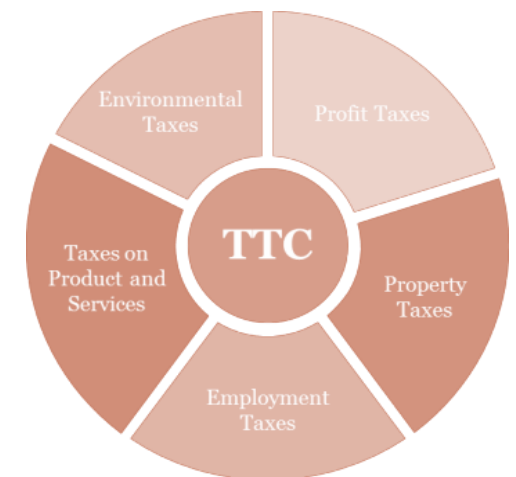
Nevertheless, these amounts are paid into public coffers as a consequence of the economic activity carried out by Enel, which is why they must be considered in the analysis of the tax contribution that the Company makes.

Some taxes appear both as collected and borne taxes, either by their nature (e.g. non-recoverable VAT is considered a borne tax and net VAT, which contains taxes incurred on products/services offered by Enel Chile, is considered a collected tax) or by their incidence (e.g. stamp tax paid by the Company is a borne tax, while stamp tax withheld from the Company's customers is a collected tax).

In this regard, the PwC's TTC methodology is consistent with the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability"), and as "withholders" of taxes on behalf of others ("Legal Remittance Responsibility"), as stated in working paper no. 32. "Legal tax liability, remittance responsibility and tax incidence".

## 2. Considering that taxes are given different names across different jurisdictions, borne taxes and collected taxes have been grouped into 5 main categories:

The TTC has been used by companies in different jurisdictions. Considering that taxes are given different names across different jurisdictions, we identified five broad categories under which taxes borne and collected can be categorized ("the five Ps"):



source: PwC



# Background and purpose of this report

**(i) Income taxes:** this includes taxes borne on the income obtained by companies, such as corporate income tax, the tax on economic activities and taxes collected in the form of withholdings on payments made to third parties.

**(ii) Property taxes:** these are taxes on the ownership, sale, transfer or tenancy of real estate. These may include taxes borne (e.g. taxes on ownership and occupation of the real estate) and taxes collected (e.g. rental of business premises collected by the landlord and paid to the government).

**(iii) Employment taxes:** these generally includes taxes on employment (including taxes on income and social security payments), taxes levied on the employer are considered borne taxes (e.g. social security contributions, health insurance/ pension/ disability contributions, payroll tax), and taxes levied on employees are considered collected taxes (e.g. taxes on income or social security contributions levied on employees, usually withheld by the employer).

**(iv) Taxes on products and services:** these considers indirect taxes on the production and consumption of goods and services, including VAT, customs duties, etc. It includes taxes and duties that are collected by companies in relation to the consumption of their own products and services, even though they may be paid to the seller or to the service provider, rather than directly to the government.

This section includes borne taxes, (e.g. consumption tax, turnover tax, customs taxes, non-recoverable VAT, etc.) and collected taxes (VAT, GST, etc.).

**(v) Environmental taxes:** these taxes apply over the supply, use or consumption of products and services which are considered to have an environmental impact. Taxes borne (e.g. tax on electricity production, tax on nuclear fuel production, tax on coal, etc.) and collected taxes (tax on electricity, tax on hydrocarbon, etc.).

In this regard, when classifying taxes as environmental, the agreed definition in the harmonized statistical framework developed in 1997 jointly by Eurostat, the European Commission, the OECD, and the International Energy Agency (IEA) , according to this definition, environmental taxes *"are those whose base is a physical unit (or a proxy of a physical unit) of a material that has a proven, specific, negative impact on the environment. All taxes on energy and transport are included and all value-added-type taxes are excluded"*.

# Background and purpose of this report

## 3. It includes all tax payments made to Public Administrations

When considering the numbers reflected in this report, it should be noted that they include tax payments made to Public Administrations, which, given their nature qualify as taxes, although for historic or circumstantial reasons, they are not considered as such.

## 4. It can be tailored to the specific circumstances of the organization

The set of payments made to the Public Administrations that have been considered in this study, has been listed in the annex for illustrative purposes.

## 5. There are certain features with respect to Value Added Tax and equivalent taxes

**Value-Added Tax (and equivalent taxes)** is characterized as a tax on products and services collected, whose amount includes the result of the net payments made by Enel Chile to tax authorities in each of the jurisdictions in which it operates, during the corresponding period.

Thus, considering the mechanics of VAT, the figure indicated in this report includes the positive amount paid to the corresponding body, subtracting the VAT received.

On the other hand, amounts of VAT that are not recoverable (e.g. VAT paid to suppliers that cannot be deducted from the VAT paid by customers), will be considered as borne taxes on products and services, provided that they represent a cost for the Company.

## 6. Main assumptions made during the preparation of this report

**(i) Scope\***: this report accounts the 100% of the tax contribution made by companies, whose accounts are consolidated with their parent company under the full consolidation method, provided that it has been possible to obtain the necessary information.

In particular, this report considers the tax contribution made by Enel entities in 2022 and 2023.

Finally, the scope of entities considered in the report is aligned with the CbCR scope.

**(ii) Currency**: This report considers the Chilean peso as the reporting currency.

# Background and purpose of this report

## (iii) Certain financial indicators:

**1) Revenue amount:** Corresponds to the sum of revenues of each entity within the scope..

**2) Wages and Salaries:** Is the sum of the wages and salaries of each entity within the scope (excluding social security contributions, incentives or benefits).

**3) Earnings before taxes:** This report considers earnings before taxes data which is indicated as "EBT" in the local report. The amount of earnings before taxes excludes inter-company dividends distributed to regional entities in order to avoid doubling the income of various entities. Such calculation allows to reflect objectively the amount of earnings before taxes at the country level, to calculate the correct ETR (Effective Tax rate), since dividends usually have special tax treatments compared to other types of income (also called "participation exemption regime")

**4) Number of employees:** The number of employees is provided by the Human Resources Department at the central level and should be calculated as "Average number of employees".

**5) Changes in methodology:** From 2020 onward, new methodologies have been taken into account for the purpose of this report. Those changes are the following:

**5.1)** The definition of taxes does not include interest payments, fines or penalties.

**5.2)** Intercompany withholding taxes will not be reported as taxes collected. Instead, the withholding entity will recognize the amount withheld as taxes borne.

**5.3)** If income taxes show a negative balance (credit balance), this balance will be recognized as a negative amount, instead of recognizing it as zero (0).

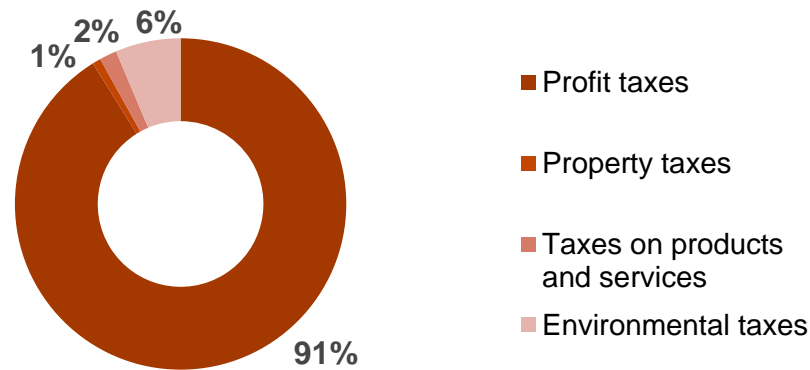
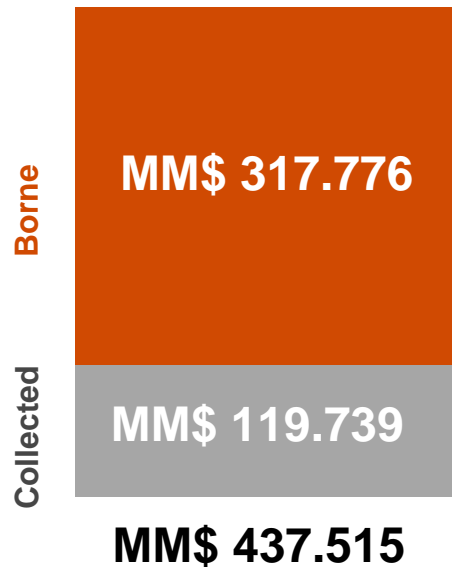
### 3. Executive Summary



# Executive Summary

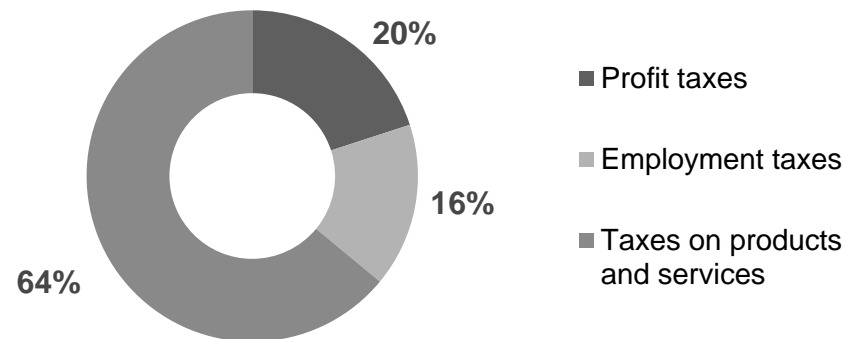
## Total Tax Contribution

Enel Chile's **tax contribution** amounted to **437.515 million pesos** in **2023**, of which **73%** corresponded to **Taxes Borne** and **27%** to **Taxes Collected**.



### Taxes borne in 2023

**Taxes borne** by Enel Chile in the year **2023**, amounted to **317.776 million pesos**, among which Income taxes stand out, accounting **91% of the Taxes borne**.



### Taxes collected in 2023

**Taxes collected** by Enel Chile in the year **2023**, amounted to **119.739 million pesos**, highlighting Taxes on Products and Services, mainly VAT, which accounted for **64% of the Taxes collected**.

# Executive Summary

## 2023 Total Tax Contribution

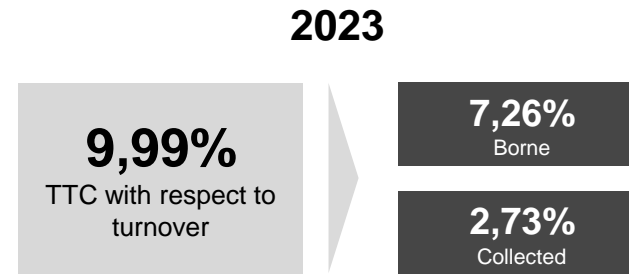
**34%\***

Total Tax Contribution Ratio  
in 2023

During the year **2023**, the **Total Tax Contribution Ratio** has **increased 27 points compared to the year 2022**. This rate is the result of the quotient of the total **Taxes borne** by the company, which amounted to **317.776 million pesos**, and the **Profits before borne tax**, which amounted to **935.806 million pesos**. Note that the increase in this rate is mainly due to the profit generated in the year **2022** from the sale of Enel Transmisión Chile S.A., since the tax on this result was paid in **2023**, generated an increase in the contribution of the **Income tax paid**.

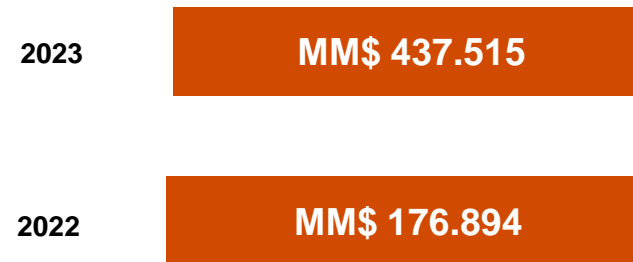
# Executive Summary

**Enel Chile's Total Tax Contribution regarding to the year 2023 turnover amount [2]**



In relation to the size of its business, for every **100 pesos** of the Company's turnover, **9,99 pesos** are allocated to the payment of taxes, of which **7,26 pesos** are **Taxes borne** and **2,73 pesos** are **Taxes collected**.

**TTC Trend in 2023-2022**



Enel Chile's **Total Tax Contribution** in Chile has increased by **147%** in relation to the year **2022**. This trend is due to a **163%** increase in **Taxes borne**, mainly due to a higher payment on **Income tax** of **222.973 million pesos**. On the other hand, the **Taxes collected** increased by **113%**, mainly due to a higher payment of **Taxes on products and services** of **47.069 million pesos**.

**Wages and taxes per employee in 2023 vs 2022**



In the year **2023**, the **annual salaries per employee** and **annual taxes per employee** amounted to **70 million pesos** and **9,2 million pesos** respectively.

Compared to the year **2022**, the **annual salary per employee** has increased by **9%**.

## 4. Enel's Chile TTC in 2023





# Enel's Chile TTC in 2023

Economic Data	2023 MM\$
Entities number	16
Employees number*	2.112
Revenue amount (turnover amount)*	4.380.246
Wages and Salaries*	146.824
Interests*	112.814
Earnings before taxes*	906.926
Earnings before borne taxes*	935.806
Earnings after taxes*	680.013
Income tax*	226.912

TTC Information	2023 MM\$
Total Taxes Borne	317.776
Total Collected Taxes	119.739
<b>Total Tax Contribution</b>	<b>437.515</b>

Taxes Borne	2023 MM\$
Income taxes	288.896
Property Taxes	2.674
Employment Taxes	0
Taxes on products and services	5.498
Environmental Taxes	20.708
<b>TOTAL</b>	<b>317.776</b>

Taxes Collected	2023 MM\$
Income taxes	24.142
Property Taxes	0
Employment Taxes	19.404
Taxes on products and services	76.194
Environmental Taxes	0
<b>TOTAL</b>	<b>119.739</b>

Tax List	Tax category	Collected or Borne taxes	2023 MM\$
Corporate Income Taxes	Income taxes	Borne	288.896
Withholding on payments of non-residents	Income taxes	Collected	24.142
Tax on real estate	Property Taxes	Borne	2.674
Taxes withheld	Employment Taxes	Collected	19.170
Employee social security contributions	Employment Taxes	Collected	234
Non-Recoverable VAT	Taxes on products and services	Borne	3.514
Custom Duties	Taxes on products and services	Borne	1.008
Stamp Tax	Taxes on products and services	Borne	976
VAT (Net Position)	Taxes on products and services	Collected	75.895
Withholding taxes on fees	Taxes on products and services	Collected	298
Hydrocarbon Tax	Environmental Taxes	Borne	0
Pollutant emissions tax	Environmental Taxes	Borne	20.708
<b>TOTAL</b>			<b>437.515</b>

Other regulatory Payments	2023
Mining and maritime concessions/grants	114
Non-use water patent	3.171
Patents or licenses on economic activities	3.793

## Total Payments to the Public Administration

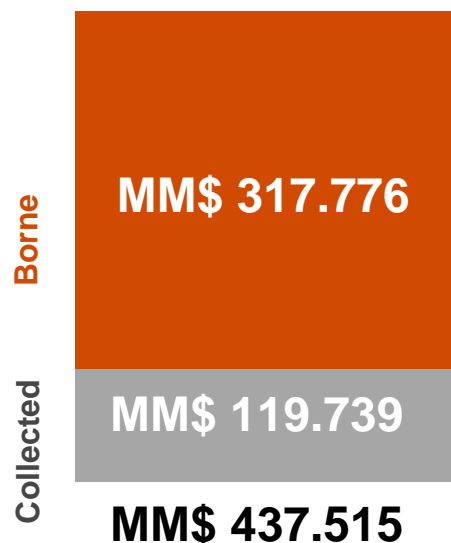
TTC indicators	
1 Total Tax Contribution Ratio*	34%
2 TTC compare with revenues	9,99%
2.1 Revenue's Tax Borne	7,26%
2.2 Revenue's Tax Collected	2,73%
3 Wages and salaries per employee	70
4 Taxes paid per employee	9,2

1. Tax Borne/ Earnings before taxes
2. Total Tax Contribution / Revenues
  - 2.1. Tax Borne / Revenues
  - 2.2 Tax Collected / Revenues
3. Wages and salaries / Average number of employees
4. Total employment taxes / Average number of employees

# Enel's Chile TTC in 2023

Analysis of taxes borne

## Total Tax Contribution Analysis 2023



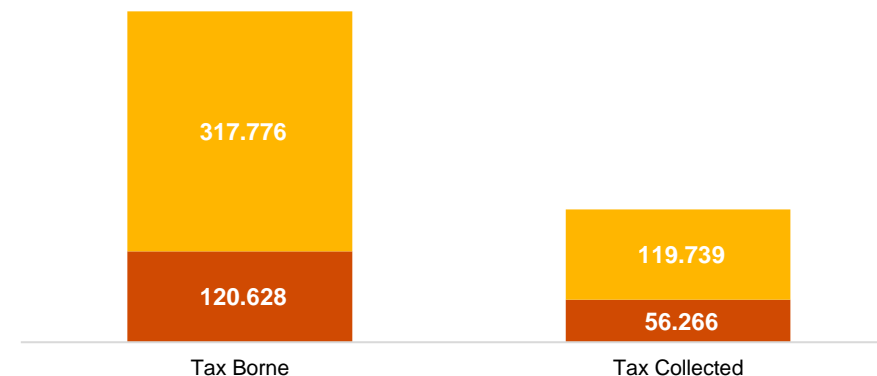
Enel's Chile **Total Tax Contribution** amounted to **437.515 million pesos** during the year **2023**.

In this sense, **73%** correspond to **Taxes borne** that represents a cost for the Group. The remaining **27%** corresponds to **Taxes collected** by Group, for the performance of its economic activity.

## Trend of the Total Tax Contribution

In million CLP

■ 2022 ■ 2023



The **increase** experienced by Enel Chile on its **2023 Tax Contribution** is mainly due to the significant changes on **Taxes borne** and **Taxes collected** compared to the year 2022, at **163%** and **113%** respectively.

Regarding the **Taxes borne**, they were the taxes with a higher percentage of variation, which is explained by the increase in the tax paid related to **Income tax**, which had an increase compared to the year **2022** of **338%**.

# Enel's Chile TTC in 2023

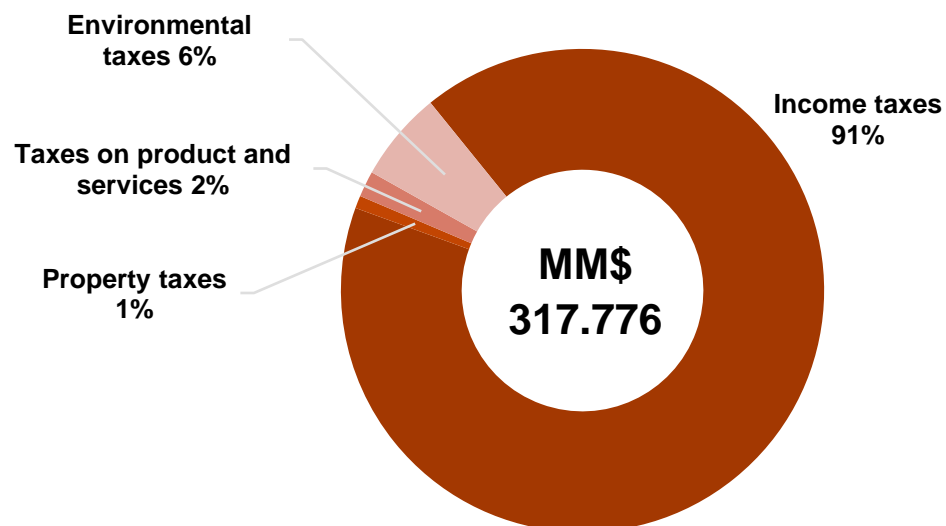
## Analysis of taxes borne

### Profile of taxes borne

The **Taxes borne** by Enel Chile during the year **2023** amounted to **317.776 million pesos**.

The **Income taxes borne** by Enel Chile amounted to **288.896 million pesos** representing a **91%** of the total **Taxes borne**.

### Categories of taxes borne by Enel Chile in 2023



**Income taxes** amounted to **288.896 million pesos**, which represents about **91%** of the total **Taxes borne**.



**Environmental taxes** represented **6%** of the total **Taxes borne** by Enel Chile, amounting to **20.708 million pesos**, of which **100%** corresponds to **Taxes on polluting emissions**.



The **Taxes on products and services** represent **2%** of the total **Taxes borne** by Enel Chile. It includes **Stamp tax**, **non-recoverable VAT** and **custom duties**, which amounted to **976 million pesos**, **3.514 million pesos** and **1.008 million pesos** respectively.



**Property taxes**, which include **Taxes on real property** and **surtax**, represent **1%** of the **Taxes borne** by the Group and amount to **2.674 million pesos**.

# Enel's Chile TTC in 2023

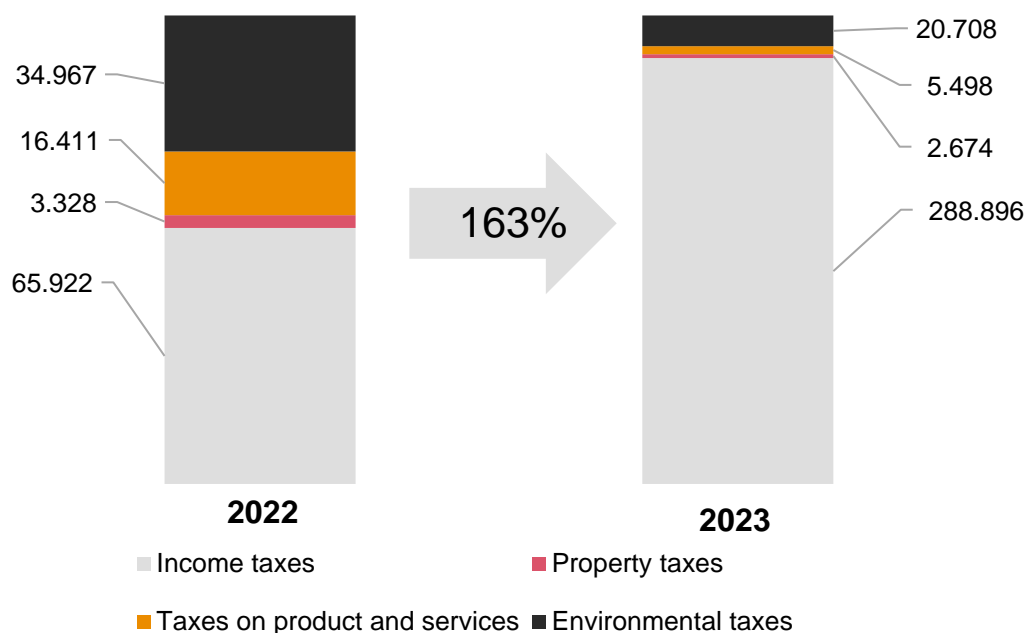
## Analysis of taxes borne

### Trend of taxes borne

The **Taxes borne** show an upward trend in the last year, increasing in **197.148 million pesos** approximately, which represents an increase in relative terms of **163%** in the year **2023** compared to the year **2022**.

### Development of taxes borne by Enel Chile in 2023

In million CLP



The main factors that have led to the increase on **Taxes borne** are related with the payment on **Income taxes (Profit Taxes)**, which has increased by **338%** compared to the year **2022**. This increase is explained by the sale of **Enel Transmisión Chile S.A.**, that generated a profit, which increased the tax base applied on Income Tax.



**Environmental taxes** suffered a decrease of **41%** in the year **2023**. This is mainly due to: i) decrease in the payment associated with the **Specific petroleum tax**, given that during the year **2022** refunds were made due to tax benefits that did not apply to Enel and that had to be returned as debits, generating a higher payment for that year; and ii) the reduction in the payment of **Taxes for polluting emissions** as a result of the closure of the Bocamina II Plant of Enel Generación SA.



In addition to the above, **Taxes on products and services** suffered a decreased of **66%** compared to the year **2022**. This reduction is mainly attributed to the fact that during the year **2022** there was an increase in the **Stamp Tax**, due to a significant increase in the acquisition of loans for financing fixed assets and working capital.

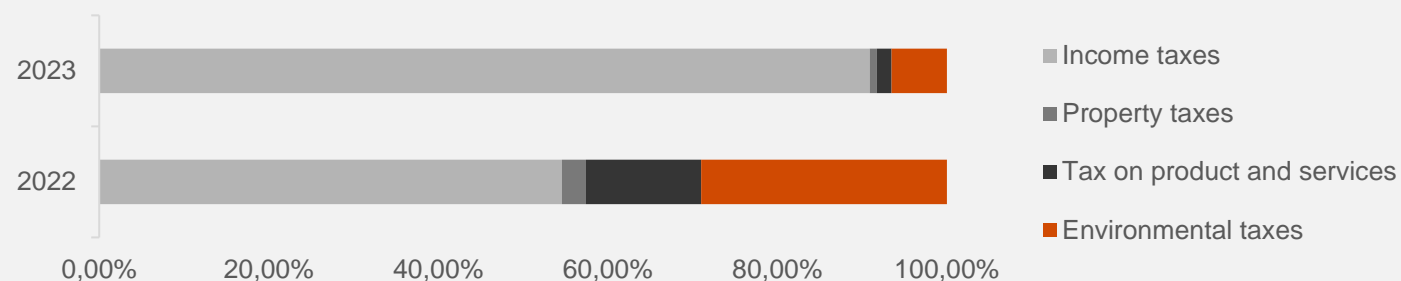
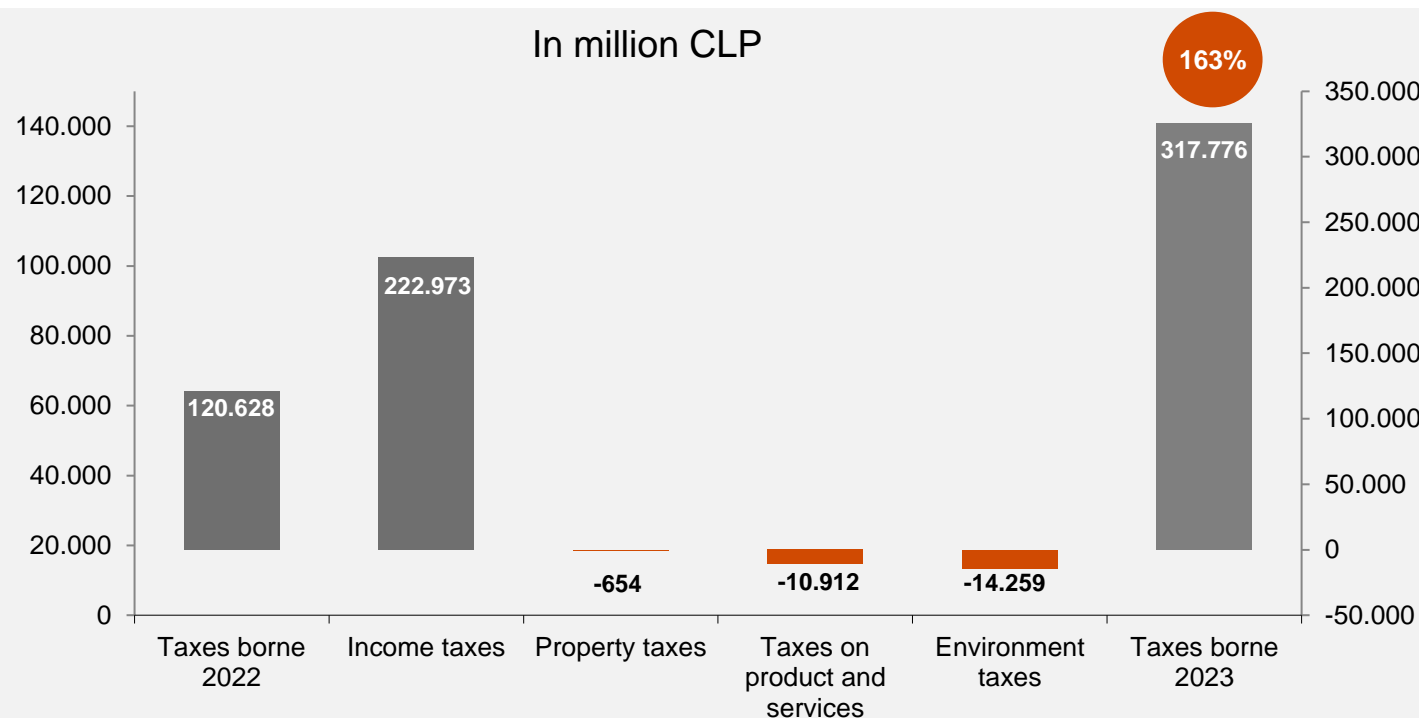


**Property taxes decreased by 20%**. Although during the year 2023, higher payments related to property taxes were made due to the **increase in the tax valuation of properties**, this was offset by the sale of **Enel Transmisión Chile S.A.** and the non-payment of land taxes that affected this company.

# Enel's Chile TTC in 2023

## Analysis of taxes borne

In million CLP



In reference to the evolution of the profile of **Taxes borne**, the significant increase experienced by the **Income tax (Profit tax)** with respect to the year **2022** is notable. This increase during the year **2023** is attributed to the profit generated by the sale from Enel Transmisión Chile S.A.

Among other taxes that show a **significant variation**, the **taxes associated with the environment** stand out, which recorded a reduction of **14.259 million pesos** compared to the previous year. This **decrease** is explained because during the year **2022**, the Government provide benefits on oil purchases as a result of the increase in prices that should have been returned, since it only applied to individuals. On the other hand, the closure of the Bocamina II plant of Enel Generación S.A. generated a **decrease** in the **Tax on polluting emissions**.

Continuing with the **decrease in taxes paid**, a decrease is observed in the contribution to **Taxes on products and services**. This variation is mainly related to the increase experienced by the stamp tax during the year 2022 compared to the present year, registering a decrease of **92%**. This variation is linked to the greater request for loans made during the year 2022 for financing fixed assets and working capital, which generated an increase in the **Stamp tax** for the previous year.

# Enel's Chile TTC in 2023

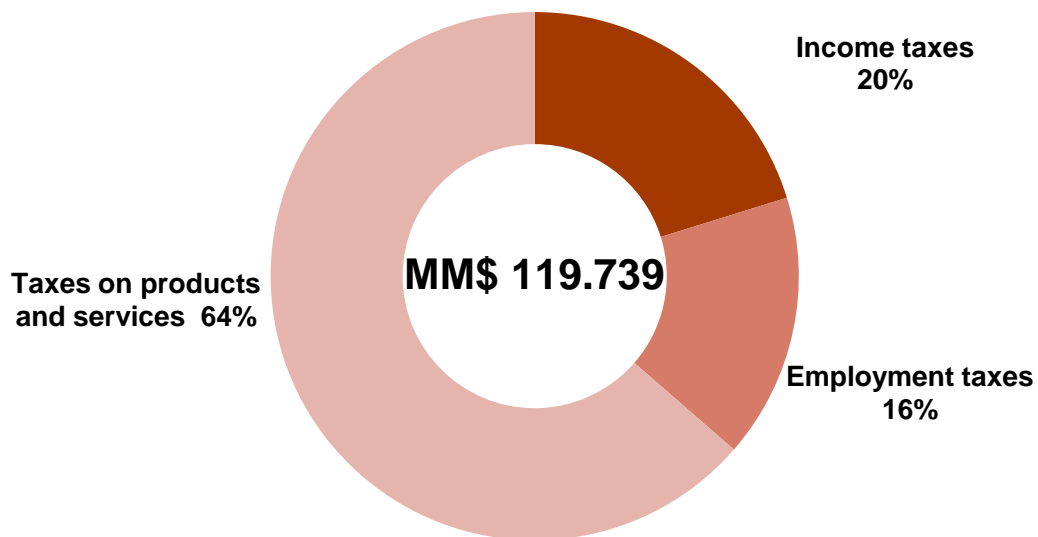
## Analysis of taxes collected

### Profile of taxes collected

Taxes collected by Enel Chile during the year 2023 amounted to **119.739 million pesos**.

Taxes on products and services amounted to **76.194 million pesos** representing approximately **64%** of the **total Taxes collected** by Enel Chile.

### Categories of taxes collected by Enel Chile in 2023



Taxes on product and services, represent approximately a **63,63%** of the **total Taxes collected**, which amounts to **76.194 million pesos**. Of which **99.6%** correspond to **VAT collected** and **0,4%** to **withholdings from fee invoices**.



The **Employment taxes** amounted to **19.404 million pesos** and represented **16,21%** of the **total Taxes collected**, they are mainly made up of **withholdings performed on employee salaries** which represent a **98.8%** and payments to **social security** of **1.2%**.



**Income taxes**, during the year **2023** represented **20,16%** of the **total Taxes collected**, amounted to **24.142 million pesos**, which corresponds entirely to the **Income tax withheld from non-residents in Chile**.

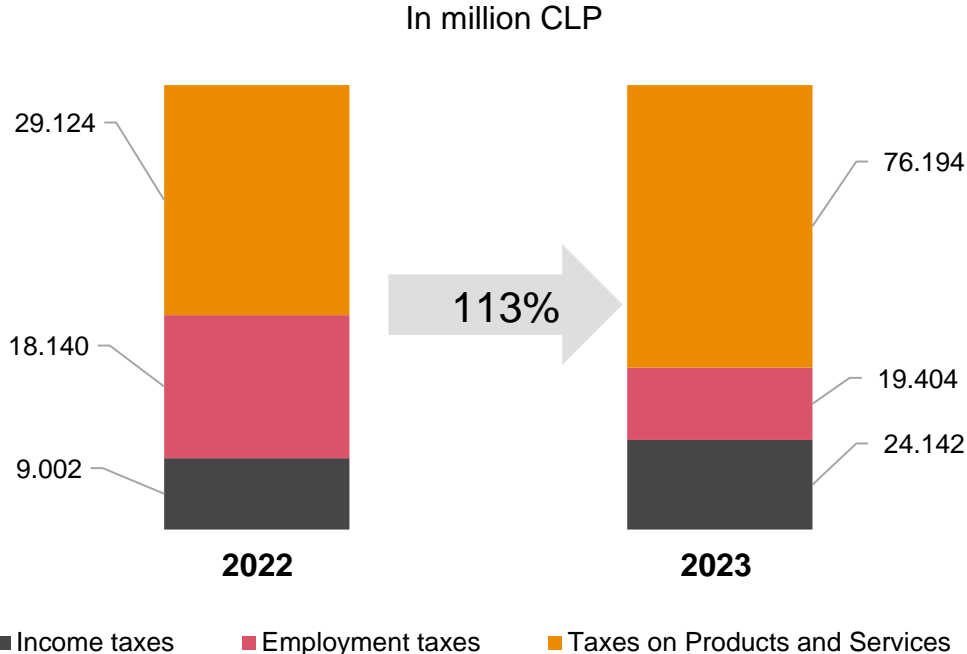
# Enel's Chile TTC in 2023

## Analysis of taxes collected

### Trend of taxes collected

**Taxes collected** have shown a growing trend during last year, increasing approximately **63.473 million pesos**, which represents an increase in relative terms of **113%** in the year **2023** in relation to the year **2022**.

### Development of taxes collected by Enel Chile in 2023



One of the factors that led to an **increase** in the **Taxes Collected**, is an increase in the year **2023** on the **Taxes on products and services** compared to the year **2022**, this variation in percentage terms is equal to **162%**. This is mainly due to the fact that a greater tax debit was generated during the year **2023** and, consequently, a **greater contribution** by Enel in the payment of this tax. This increase is due to various factors, due to the fact that during the year 2022 a greater VAT tax credit was generated as a result of: i) refunds of VAT paid in excess for imports eligible for exemption; ii) requests for refund 27 bis by Cerro Pabellón; iii) other refunds of VAT paid in excess in previous periods; and iv) higher volumes of energy and fuel purchases due to increases in the quantities purchased and prices. Although an increase in the contribution is observed in the year 2023, by expanding the margin of comparison, it is noted a trend towards a decrease in the VAT contribution; due to the extraordinary reliquidations generated by energy sales during the year 2022, which increased total sales, these reliquidations were the result of changes in energy charging regulations. During 2023, these adjustments were made on a monthly basis, resulting in a decrease in revenue billing, thus affecting the VAT contribution.



**Employment taxes increased by 7%** compared to the previous year and this is mainly directly to wages and salaries payments to employees due to **“Índice de Precios al Consumidor” (IPC) adjustments**, as well as other factors associated with the **increase in salaries and payment of bonuses**.

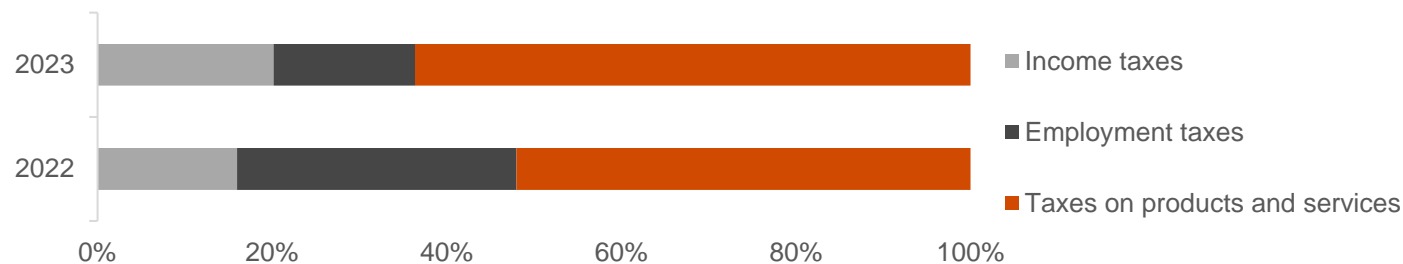
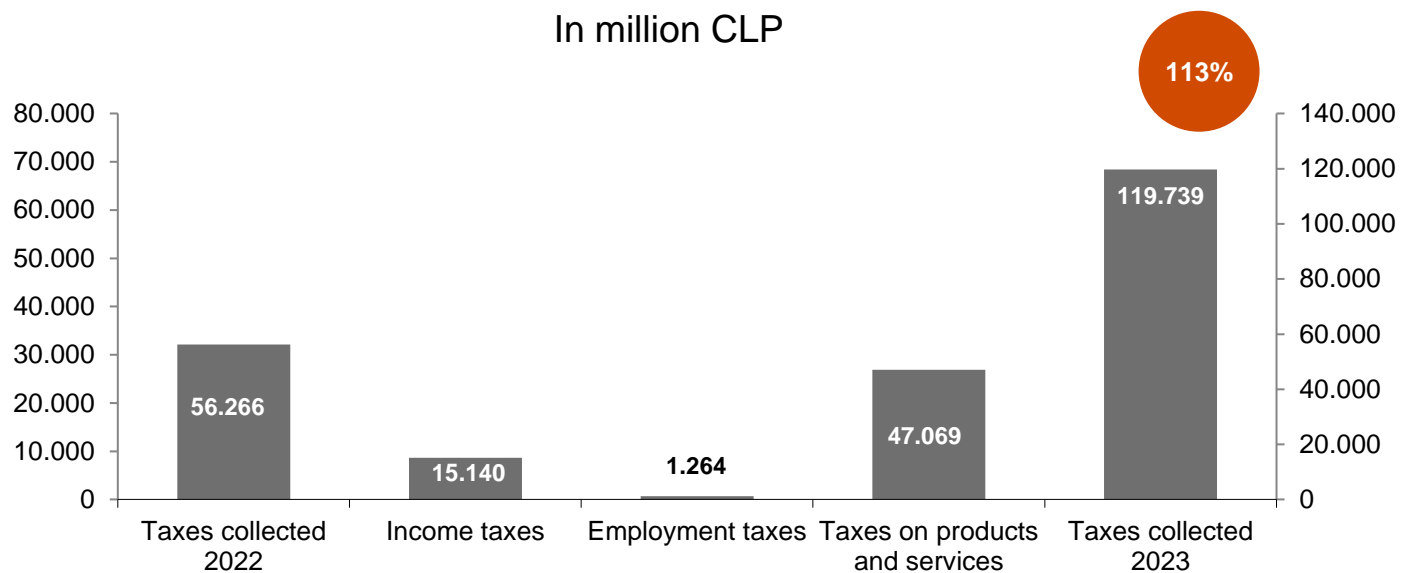


Regarding the **Income taxes**, there was an increase of **168%** compared to the year **2022**. This is increase in mainly due to higher dividends withholdings distribution performed during the year **2023**, due to the **higher amount of revenues** after the sale of Enel Transmisión Chile S.A.

# Enel's Chile TTC in 2023

## Analysis of taxes collected

In million CLP



Regarding the evolution profile of **Taxes collected**, it is important to highlight that **Taxes on products and services** continue to play a main role in this array of taxes. It is highlighted that, unlike the previous year, they experienced a considerable increase of **162%**, which translates into an increase in tax payments of **47.069 million pesos**.

In addition, another significant variation was observed in the contribution performed by the **Income taxes** during the year **2023**, with an increase of **168%**, which means a payment of **15.140 million pesos on tax**. This is mainly due to the increase in withholdings performed due to the **greater amount of dividends** to be distributed during this year.



# Enel's Chile TTC in 2023

## TTC indicators

### Total Tax Contribution rate

Year	Ratio
2022	7%*
2023	34%*

The Total Tax Contribution Rate (TTCR) is calculated as **total taxes borne / earnings before taxes borne** [1] .



The 34% Total Tax Contribution Rate is produced, mainly due to higher earnings before taxes in 2023, given that in 2022 revenues were generated from the sale of Enel Transmisión Chile S.A., that were taxable on the fiscal year 2023.

[1] Earnings before taxes borne is not a traditional figure that can be found in the company's financial statements. Because many of the taxes borne are deductible for calculating earnings before taxes, they must be aggregated back to arrive at earnings before all business taxes borne in order to determine the denominator in the calculation.

# Enel's Chile TTC in 2023

## TTC Indicators

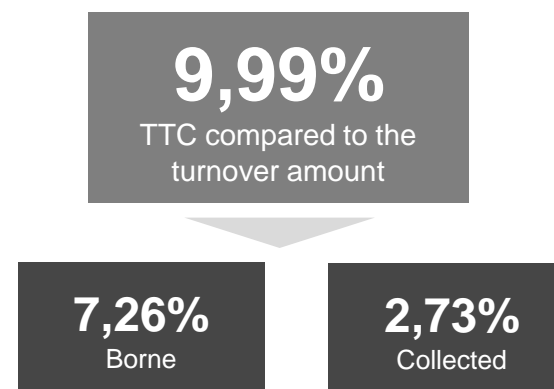
### TTC compared to the turnover amount



Enel Chile contribute 9,99 pesos in taxes for every 100 pesos of turnover, of which 7,26 pesos represent a direct cost for the group.

TTC compared to the turnover amount, is an indicator that shows the amount of the contribution made by the Company in relation to the size of its business.

For Enel Chile, the average ratio of the TTC to the turnover is 9,99% in the year 2023. In such sense, for every 100 pesos of the Company's turnover 9,99 pesos are allocated to the payment of taxes, of which 7,26 pesos are **Taxes borne** and 2,73 pesos are **Taxes collected**.



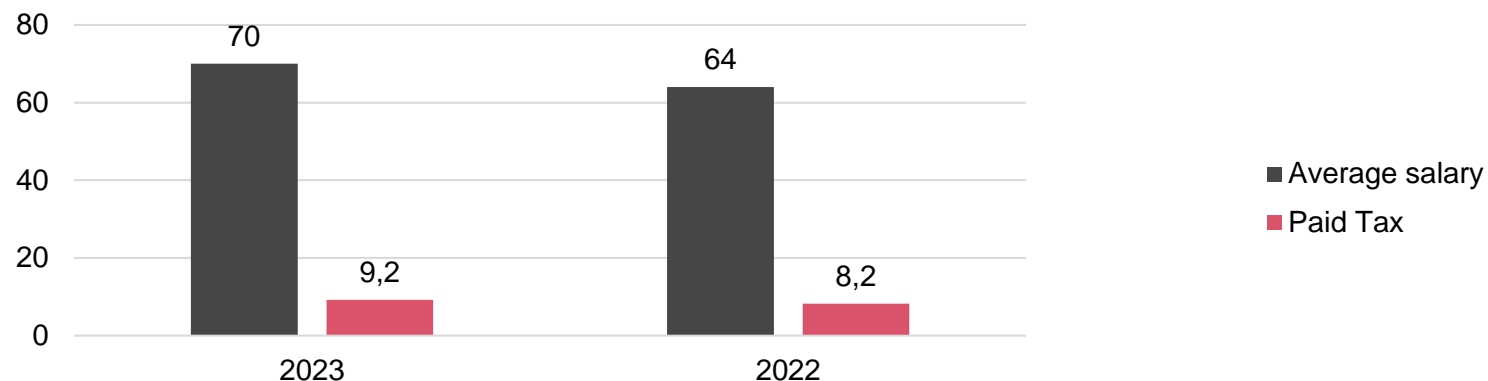
# Enel's Chile TTC in 2023

## TTC Indicators

### Taxes paid on wages and salaries per employee

Taxes paid on **wages and salaries per employee** is an indicator that allows to relate the level of employment to the associated taxes. This indicator is calculated by dividing the total taxes (borne and collected) related to employment by the number of employees.

Development of the average salary and Taxes associated with average employment at Enel



In the year **2023**, Enel Chile paid **9,2 million** pesos on employment taxes per employee. The **total amount (100%) corresponds to Taxes collected on behalf of the employee.**

In relation to the **average salary** paid by **Enel Chile**, it increased to **70 million pesos**, mainly because during 2023 there were increases on wages and salaries due to “Índice de Precios al Consumidor” (IPC) adjustments.



The average employment taxes experienced a slight increase, directly linked to “Índice de Precios al Consumidor” (IPC) adjustment.

## 5. Comparative Indicators



# Comparative indicators

## Effective corporate income tax rate

Below we will present a comparative chart of the effective corporate income tax contribution rate for a group of companies in the electricity sector at a national level, during the years, 2022 and 2023.

On the one hand, we will analyze the Effective Tax Rate "ETR" and on the other hand, the reasons that generate the differences between their nominal rates.

In this regard, our methodological approach is based on the available public information, to the extent that the tax expense is a data published by the companies in their consolidated annual accounts, which allows us to carry out comparative studies such as the one included in the present section.<sup>[3]</sup>

<sup>[3]</sup> Please refer to Methodology in Annex III



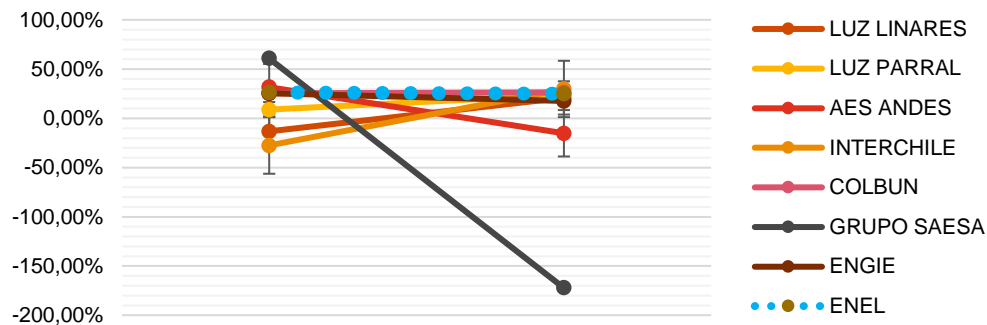
# Comparative indicators

## Comparison between Enel Chile's nominal and effective tax rate

In relation to the effective tax rate (ETR), it is calculated as the ratio between the **Corporate income tax** expenses and **Earnings before taxes**. The chart below shows a comparison of Enel Chile's effective tax rate compared to other equivalent companies, regardless of whether they are in a profit or loss position.

Please note that for purposes of this report, it was only considered the information provided from the Financial Statements published by Enel Chile S.A and its subsidiaries.

### Comparison of Enel Chile's ETR to other Chilean Companies from the electricity sector



Group	2022	2023
ENEL CHILE	26,41%	25,02%
LUZ LINARES	-13,18%	20,82%
LUZ PARRAL	8,91%	23,98%
AES ANDES	31,78%	-15,18%
INTERCHILE	-27,50%	29,80%
COLBUN	25,40%	26,40%
GRUPO SAESA	61,11%	-172,10%
ENGIE	25,44%	17,64%
Average	17,30%	-5,45%

table N°1

Enel Chile's Effective Tax Rate	2022	2023
Nominal Tax Rate	27%	27%
Consolidated Effective rate	26,41%	25,02%
Income or (Loss) of the year in MM\$	(469.697)	(226.912)

table N°2

Table N°1 shows that the average effective rate for the year 2023 for the electric companies in Chile amounts to -5,45%, approximately 30,47% lower than Enel Chile's ETR for the same period, which amounted to 25,02% of tax expenses.

Enel Chile in the year 2023 presents a lightly decrease in tax expense mainly due to, i) A decrease in tax expense by the company Enel Transmisión Chile S.A., as a result of its sale in the year 2022. However, this decrease It was offset by i) the monetary correction in the year 2023, which increased tax expenditure; ii) the higher tax contribution associated with the sale of Arcadia Generación Solar S.A.

The average ETR for the year 2023 for electric companies in Chile amounts to -5,45%, which is below Enel Chile's ETR which is 25,02%.

# Comparative indicators

## Comparison between Enel Chile's nominal and effective tax rate

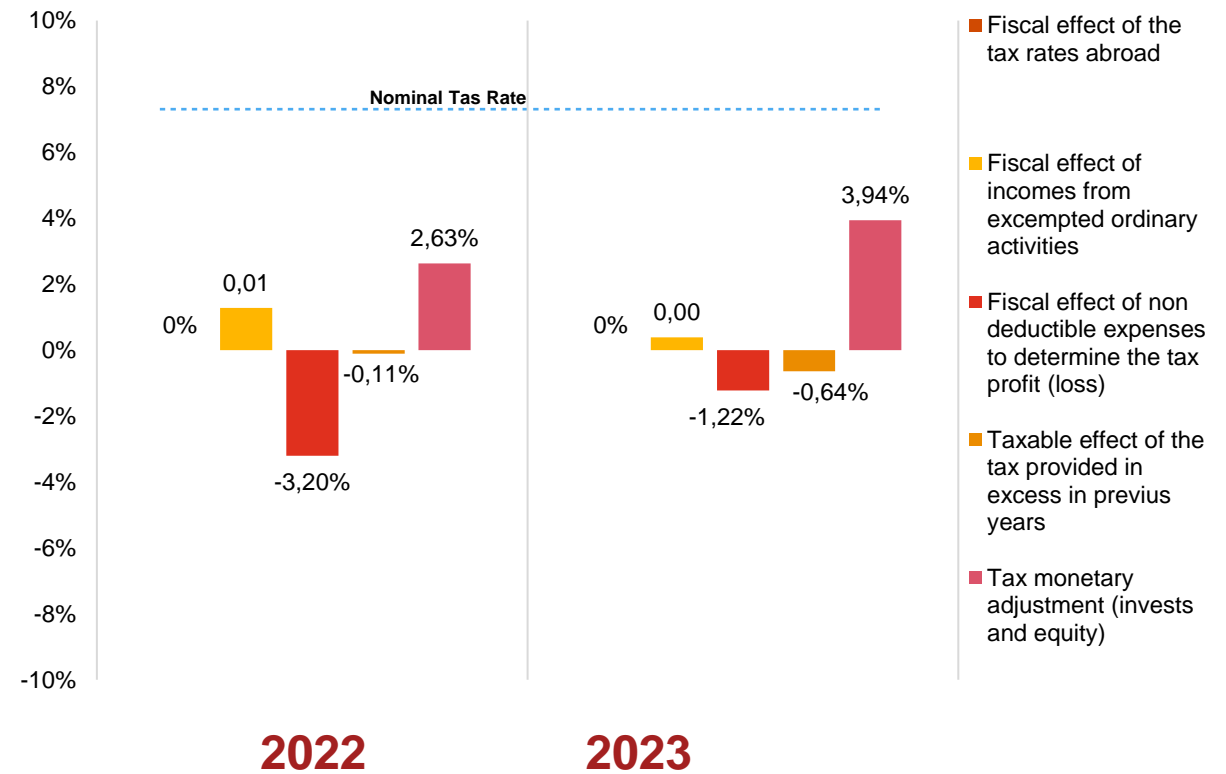
In relation to the difference between the nominal rate in the year 2023 (27%) and the effective rate (25,02%), below are the elements that have an impact on the **ETR**.

In million CLP

	2022		2023	
	MM\$	%	MM\$	%
<b>Effective tax conciliation</b>				
Income tax accounted	469.697		226.912	
Nominal income tax (27%)	480.244		244.870	
<b>Difference</b>	<b>10.547</b>		<b>17.958</b>	
<b>Permanents adjustments</b>				
Fiscal effect of tax rates abroad	24	0%	-4.361	-0,48%
Fiscal effect of incomes from exempted ordinary activities	22.737	1,28%	3.494	0,39%
Fiscal effect of non deductible expenses to determine the tax profit (loss)	-56.916	-3,2%	-11.104	-1,22%
Taxable effect of tax provided in excess in previous years	-2.021	-0,11%	-5.824	-0,64%
Tax monetary adjustment (invests and equity)	46.724	2,63%	35.572	3,94%
<b>Total</b>	<b>10.547</b>		<b>17.958</b>	

This chart shows the factors that favorably affects to decrease the nominal rate (those with a negative impact below 0%), as well as those that affect unfavorably (positive impact, above 0%)

## Elements that have an impact on the tax nominal



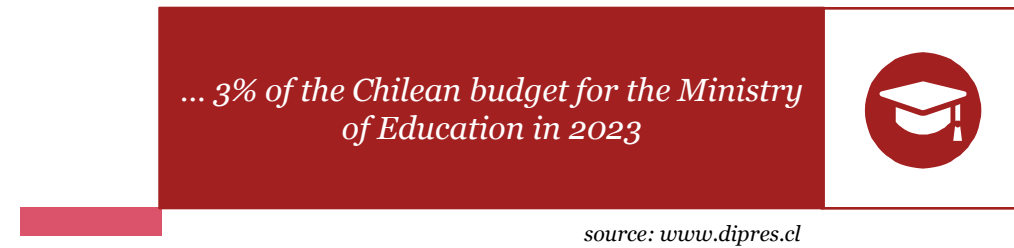
source: PwC

# Comparative indicators

## Enel Chile's Tax Contribution in economic and social terms

In order to understand the magnitude of Enel's social contribution in the year 2023, we compared the amount of the Company's tax contribution with some social variables and macroeconomic data.

**The Total Tax Contribution of Enel in the year 2023 amounted to 437.515 million pesos, which is equivalent to:**



source: PwC



6. Other payments performed to the public administration.



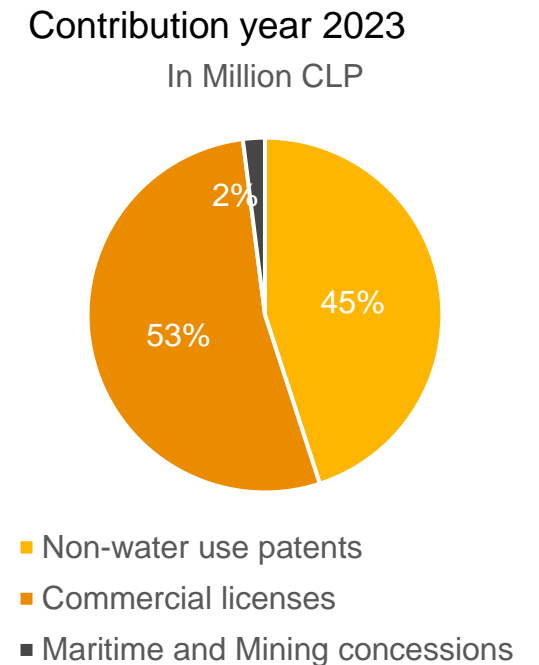
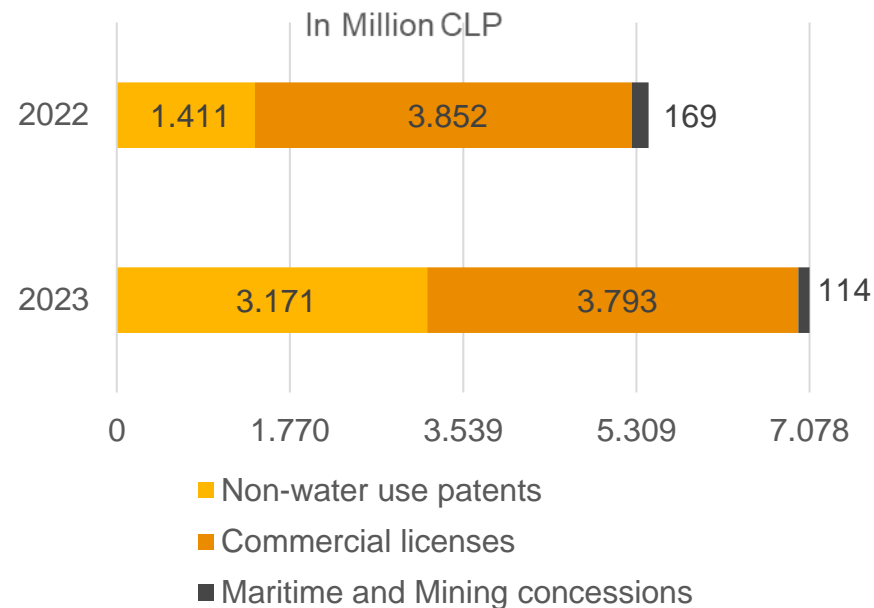
# Other payments made to the Public Administration

## Other payments made to Public Administrations

In addition to the **Total Tax Contribution**, it should be noted that Enel Chile makes other contributions to the **Public Authorities** in the places where it operates. These include maritime concessions, the non-water use patents and commercial licenses, among others.

During the year 2023, the payments performed by Enel Chile to the different **Public Authorities** amounted **7.078 million pesos**, which correspond to an increase of 30% related to the previous year, as follows:

- i. **Non-water use patents:** represent **45%** of the total amounts paid to the public administration. This concept generated a greater increase in payments between the year 2022 and 2023, which represents a **125%** increase compared to the previous year. This is mainly related to the formula by which the patent payment for non-use of water is determined, because the amounts double or quadruple depending on the number of years that Enel has owned the water rights.
- ii. **Commercial licenses:** represent **53%** of the total amounts paid to the public administration. The amount for commercial licenses has decrease 2% compared to the year 2022, due to the fact that in the year 2023 the payment of Enel Transmisión Chile S.A. patents were not performed after its sale in the year 2022.
- iii. **Maritime and mining concessions:** represent a quota nearly to 2% of the total payments made to public administrations.



## 7. Appendices



# Appendix I - Enel's Chile 2022 TTC

Financial Data	2022 MM\$
Entities N°	18
Employees N°*	2.222
Revenues*	4.956.432
Wages and Salaries*	141.119
Interests*	139.262
Earnings before taxes*	1.772.124
Earnings before Borne taxes*	1.826.829
Earnings after taxes*	1.304.198
Income Tax*	467.927

TTC Indicators/Information	2022 MM\$
Total Borne taxes	120.628
Total Collected taxes	56.266
<b>Total Tax Contribution</b>	<b>176.894</b>

Borne Tax	2022 MM\$	Collected Tax	2022 MM\$
Income Taxes (profit)	65.922	Income Taxes (profit)	9.002
Real Estate Taxes	3.328	Real Estate Taxes	-
Employment Taxes	-	Employment Taxes	18.140
Taxes on products and Services	16.411	Taxes on products and Services	29.124
Environmental Taxes	34.967	Environmental Taxes	-
<b>TOTAL</b>	<b>120.628</b>	<b>TOTAL</b>	<b>56.266</b>

Tax List	Tax Category	borne taxes o collecteds	2022 MM\$
Corporate Income Taxes	Income Taxes	borne	65.922
Withholding on payments of non-residents	Income Taxes	collected	9.002
Tax on real estate	Impuesto sobre propiedades	borne	3.328
Taxes withheld	employment taxes	collected	17.941
Employee social security contributions	employment taxes	collected	199
Non-Recoverable VAT	tax on products and services	borne	2.223
Custom Duties	tax on products and services	borne	2.687
Stam Tax	tax on products and services	borne	11.500
VAT (Net Position)	tax on products and services	collected	28.808
Withholding taxes on fees	tax on products and services	collected	316
Pollutant emissions tax	environmental tax	borne	10.689
Hydrocarbon Tax	environmental tax	borne	24.278
<b>TOTAL</b>			<b>176.894</b>

Other regulatory payments	2021
Maritime and Mining Concessions	169
Patent for non-use of water	1.411
Patents on economic activities	3.852

## Total payments to public administrations

TTC Indicators	
1 Total Tax Contribution Ratio*	7%
2 TTC Regarding the turnover	3,57%
2.1 Borne taxes of turnover	2,43%
2.2 Collected taxes of turnover	1,14%
3 Salaries and waged per Employee	64
4 Taxes paid per Employee	8,1637

1. Borne Taxes / Profit before Tax
2. Total Tax Contribution \* Contribución tributaria total / turnover
- 2.1. borne taxes / turnover
- 2.2 collected taxes / turnover
3. salaries and wages / average number of employees
4. Total employment taxes / average number of employees

# Appendix II

## Tax List

TAXES	STATE TAX	FEDERAL/ REGIONAL TAX	LOCAL TAX	TAX BORNE	TAX COLLECTED	SCOPE
<b>PROFIT TAXES</b>						
INCOME TAX	✓			✓		✓
ADVANCE INCOME TAX	✓			✓		✓
WHT (SERVICES AND INTEREST)	✓				✓	✓
WHT (ON SERVICES)	✓				✓	✓
WHT ON DIVIDENDS PERFORMED TO FOREIGN SHAREHOLDERS	✓				✓	✓
<b>PROPERTY TAX</b>						
PROPERTY TAX	✓			✓		✓
SURCHARGED TAX						
<b>EMPLOYMENT TAXES</b>						
EMPLOYMENT TAXES	✓				✓	✓
SOCIAL SECURITY					✓	✓
<b>VAT</b>						
VAT	✓				✓	✓
WITHOLDING FROM FEE INVOICES	✓				✓	✓
VAT NO REFUNDABLE				✓		✓
STAMP TAX	✓			✓		✓
DUTY TAX	✓			✓		✓
<b>SPECIFIC PETROLEUM TAX</b>						
SPECIFIC PETROLEUM TAX	✓			✓		✓
TAX FOR POLLUTING EMISSIONS	✓			✓		✓
<b>COMMERCIAL LICENSES</b>						
COMMERCIAL LICENSES		✓		✓		✓
NON-WATER USE PATENTS	✓			✓		✓
MARITIME AND MINING CONCESSIONS						

# Appendix III

## Methodology for the comparative analysis of the effective tax rate in corporate income tax

The analysis has been carried out on the basis of public information, no direct contact has been made with any of the companies.

For these purposes, the effective tax rate (ETR) was calculated as the ratio of the corporate income tax expense divided by the earnings before taxes, both numbers being taken from the consolidated income statement of the year.

In this regard, the average of the last two years available (2023 and 2022) as well as the upper and lower quartiles have been used to illustrate the results:

### **Narrow arithmetic average**

Our conclusions regarding the individual analysis of companies are based on a statistical analysis of the ETR. In this type of analysis, there are usually elements that distort the mean, such as non-recurring operations or exceptional elements, which must be eliminated in order to draw reasonable conclusions about the studied sample.



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