



Seeding Energies
Sustainability Report
Enel Chile
2017

enel

OPERATION

EBITDA
739,253 million pesos

Installed capacity
6,351 MW

Total net production
17,073 GWh

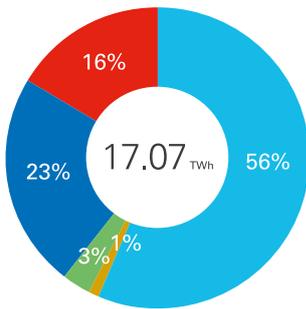
Length of distribution lines
16,832 Km

Average number of customers
1,882,394

ENVIRONMENTAL

Energy mix

- Hydroelectric
- Renewables
- Oil and gas
- Combined cycle
- Coal



CO₂ free production
57%

Specific CO₂ emissions
234.1 g/kWheq

APPENDIX

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OUR COMMITMENT 2017

Engaging local communities pg. 52

Engaging the people we work with pg. 68

Innovation and operational efficiency pg. 76

Customer focus pg. 84

Occupational health and safety pg. 87

Sustainable supply chain pg. 91

Environmental sustainability pg. 95

Growth across low-carbon technologies and services pg. 106

Digitalization pg. 108



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Seeding

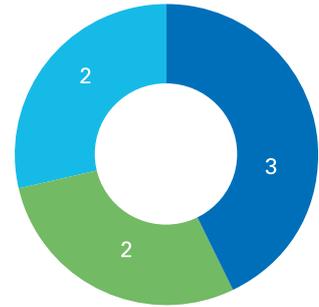
GOVERNANCE

The Board of Directors of Enel Chile



BoD background

Energy Legal
Strategy and Finance



SOCIAL

Enel's people

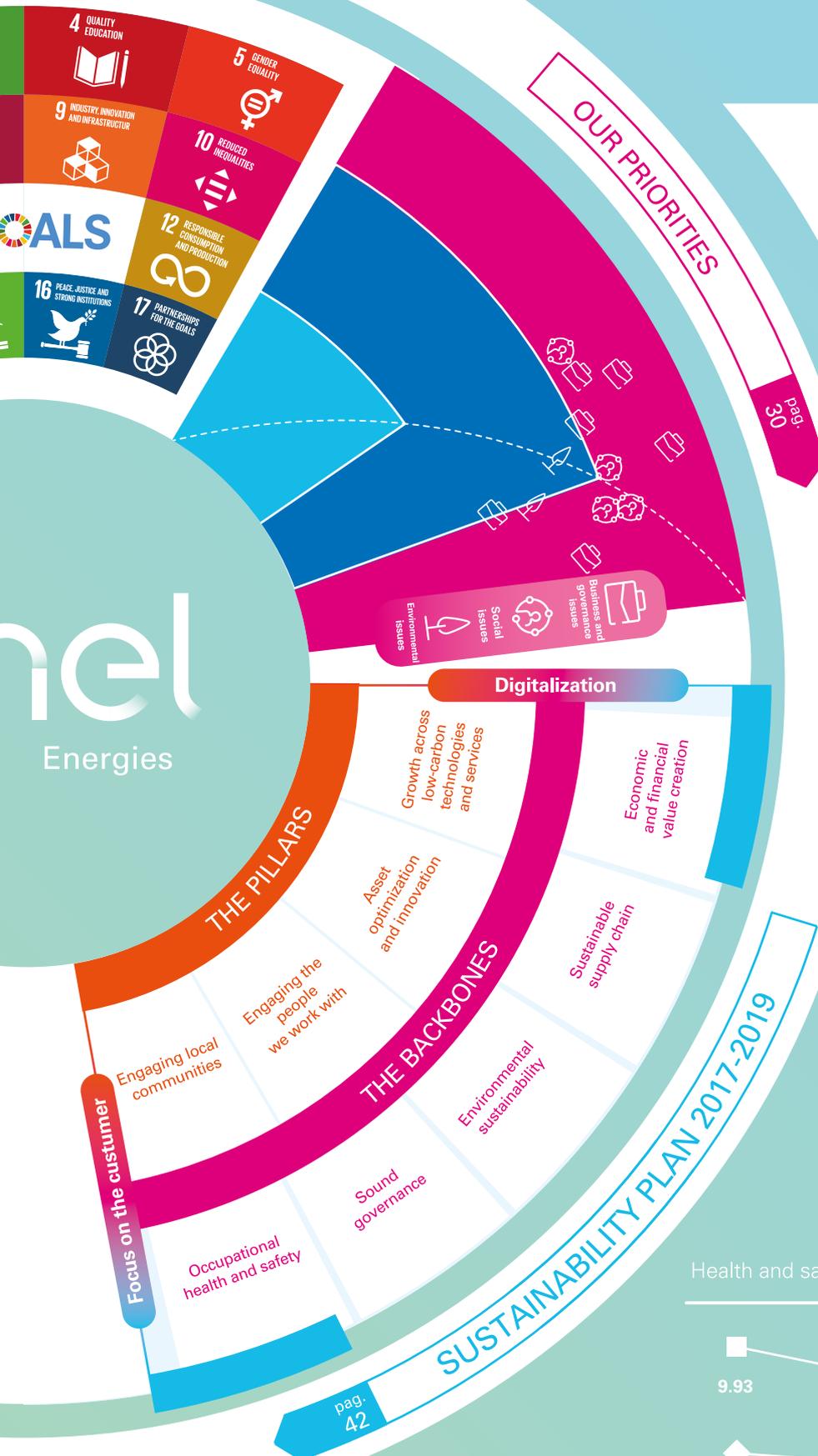
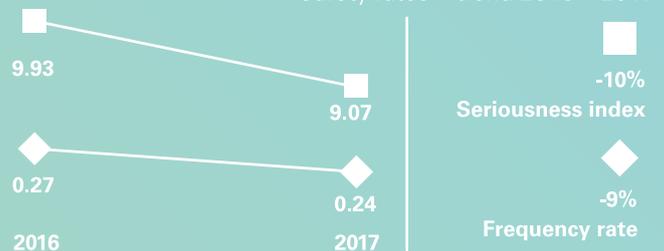
Total	Men	Women
1,948	76%	24%

Geographic Area



Health and safety - Enel's people and Contractorst

Safety rates - trend 2016 - 2017





Letter to Stakeholders

102-14

We are pleased to present our sustainability report, which details our management and performance in the environmental, social, economic, and governance areas in 2017.

Undoubtedly, 2017 was a year of many challenges. Our capacity for response and resilience against extreme climatic events which directly affected our hydroelectric generation and distribution business, was sorely tested.

Our solution was to incorporate strategies of prevention and adaptation to climate change, which proved to be the correct way to respond in a timely manner to the effects of global warming, both in the long term and during emergency situations, such as those that we experienced this year.

While responding to the weather emergencies during June and July, we dedicated all of our resources to repairing damages to our distribution lines, which affected more than 300 thousand families. At the same time, we began working on expanding and improving the service tools and service options for our customers, specifically emphasizing on those most vulnerable. The field of hydroelectric generation has been greatly impacted by the drought we have experienced in recent years. In response, we have assured our customers of the stability and continuity of the energy supply, due to a diversified generation mix and advanced management technologies which allow us to regulate the different plants we have in operation.

Because the environment is crucial to our energy generation business, we invested CLP\$18.6 into environmental improvements in our thermoelectric plants. These improvements included implementing innovative solutions that reduced the externalities of our operations. One of our milestones was the construction of the northern dome at the Bocamina II plant, an example of cutting-edge engineering and architecture in Latin America. This dome significantly reduces the visual impact of the coal storage center and gives us the opportunity to manage fuel more efficiently.

Similarly, in the area of distribution, we are continually investing in new technologies to respond to demands that arise from the transition to a low carbon market.





Chairman
Herman Chadwick Piñera



Executive Officer
Nicola Cotugno

To promote the electric mobility market, we acquired 33 vehicles for private use by our company personnel. This was facilitated by means of attractive payment conditions for personnel who were selected for this program. We also introduced the use of electric buses in the public transportation system, thus contributing to the Atmospheric Decontamination Plan of the Santiago Metropolitan Region. Additionally, we moved forward with a project that will replace wood-burning stoves with electrical heating equipment, as well as promoting residential use of photovoltaic panels.

2017 was a year marked by the reestablishment and reconstruction of our relationships with the communities surrounding our operations. We managed to put an end to historical conflicts with

the Pehuenche communities affected by the construction of the Ralco power plant in the Alto Bío-Bío Region and the communities of Coronel, which were relocated for the construction of the Bocamina II plant. We reached a cooperative agreement with both communities that includes a shared vision of sustainable social and economic development. We continue to implement our Human Rights policy, following up on the due diligence carried out in 2016, revealing a significant reduction in the gaps that existed the previous year.

Finally, in 2017 we consolidated our best practices in corporate governance,, continuing to implement the Zero Tolerance for Corruption Plan and the Criminal Risk Prevention Model, whose compliance is continuously monitored to identify, prevent, and mitigate potential risks.

All of this has been made possible thanks to the work of our employees and their commitment to the core values of the Enel culture: responsibility, proactivity, innovation, and trust.

We invite you to read the following pages, where you can find relevant information about our management, challenges, and progress in the areas mentioned above, and with which we seek to build a sustainable company that contributes to the development of the country and its inhabitants.

Best regards.



01

Getting to know Enel



Milestones 2017



JANUARY

Enel Distribución created the first certification for the Chilean market that proves that the energy supplied comes 100% from NCRE generation

This new tool contributes to minimize the environmental impact of business operations, since it allows accrediting free customers that 100% of their supplied energy comes from Non-Conventional Renewable Energies (NCRE)..

Enel Chile delivered support to areas affected by fires

Enel Generación Chile delivered lunches and provided heavy machinery to clear up of the rubble, and water trucks with operators and fuel to help in the areas affected in Concepción. Enel also worked in coordination with the authorities in both Maule and O'Higgins regions, providing support in various areas to control fires in these communities. Contributions made through SOFOFA were used to build houses for families affected by the fires.

FEBRUARY

A historical agreement was signed with families in Alto Biobío to advance local development

Representatives of Enel Generación Chile and 25 families of the Pehuenche community Aukin Wallmapu experienced a memorable moment when they signed an agreement to collaborate on projects for the community. The agreement represents an important step forward for the company's relationship with the communities in the area, as it addresses the families' demands for the Pantheon Quepuca (Site 53), which had been flooded by the water from the reservoir of the Ralco hydroelectric plant.

Enel Generación Chile completed the sale of all its shares in Electrogas

Enel Generación Chile finalized the sale of its shares in Electrogas on February 7. 42.5% of the capital that Enel controlled in Electrogas was transferred to Aerio Chile, a subsidiary of the Portuguese REN, Redes Energeticas Nacionais. The purchase price was USD\$ 180 million.

Enel Chile received crime prevention model certificate

Enel Chile and its subsidiaries, Enel Generación Chile and Enel Distribución Chile, received the crime prevention model certificate, in accordance with Law No. 20.393, which establishes the criminal liability of legal entities in the crimes of asset laundering, financing of terrorism, and bribery crimes. The certification was issued for two years, the maximum period defined in the Law.

MARCH

Enel Chile recognized 13 Chilean women for their outstanding contribution to the country's development

For the eleventh consecutive year and within the framework of International Women's Day, Enel distinguished thirteen Chilean women for contributing to the country's social development. Each of the awardees stands out for making significant contributions in their respective areas of specialization, such as art, music and letters; public service; environment, energy efficiency and sustainability; education; innovation and entrepreneurship; public debate; work with the community; journalism and social communication; entertainment; and sports.

The Ministry of Energy and Enel Distribución launched an energy efficiency campaign and presented the first "Solar Flower" in South America

Motivated by the World Day of Energy Efficiency, the Ministry of Energy and Enel Distribución presented the campaign "#SoyMultiEficiente, I use my energy in the best way." This initiative aims to raise awareness among citizens about the responsible use of energy. To show the commitment of the company, the first "Solar Flower" or "Smart Flower" of South America was presented and connected. The Solar/Smart Flower supplies electricity to the corporate building of Enel in Santiago via a photovoltaic generation system.

A new radial system was activated between Biobío power plants and municipalities

A radial system coordinated with ONEMI and the Ministry of Energy was implemented to generate a channel of communication between Enel Generación Chile's Pangué and Ralco plants, Colbun's Angostura and the municipalities of Alto Biobío, Quilaco, and Santa Bárbara. The radial system enables the company to make timely decisions in the case of emergencies. This initiative complements an existing project and helps improve communication systems for contingencies.

Fitch Ratings confirmed Enel Chile's solvency ranking in AA

The rating agency maintained the solvency classification of Enel Chile. This acknowledges a diversification of assets regarding operations in Chile's constructive regulatory framework, as well as the company's strong financial profile with robust credit metrics. Prospects are positive.



APRIL

Fitch Ratings rated Enel Generación Chile with AA

The international agency classified Enel Generación Chile “BBB +” in both local and foreign currency. The long-term classification on a national scale was “AA (cl).”



MAY

The free electric bus in downtown Santiago completed one year of operation

The free pilot electric bus, which was promoted by the municipality of Santiago and Enel Distribución Chile to drive routes in the historic downtown area of the city, completed its first year of operations. On the occasion, the Minister of Transport, Paola Tapia, announced the incorporation of these types of electric buses into the Transantiago public transport system during the second half of 2017.

Enel Chile and Nissan delivered the largest electric car fleet in Latin America

Thirty electric cars with a 250 kilometer range were delivered to Enel group workers in Chile. The beneficiaries participated in an internal open enrollment competition. The process facilitated the acquisition of vehicles through a direct import model, with significant discounts, guaranteed repurchase prices, and maintenance.



Enel Generación Chile and families of Coronel signed a memorandum of understanding to overcome housing problems

Enel Generación Chile signed an agreement with the Huertos Familiares Neighborhood Board in Coronel with the hope of turning over a new page in their relationship. The agreement outlines cooperative work to solve the housing issues of families relocated in 2010 whose homes had construction problems.

The Cipreses hydroelectric plant opened its doors to the community to celebrate a day of cultural heritage

More than 300 people visited the facilities and learned about the history of this hydroelectric plant, which dates back to 1955 and is one of the oldest of Enel Generación Chile. The mayor of Maule region, Pablo Meza, thanked the company for contributing to the conservation of memory and identity.



Chile and Argentina signed an agreement to supply natural gas for the second consecutive year

Shipments were provided by ENAP, Enel Generación Chile, and the Global Energy Provision SA (AGE-SA) and were carried out via the Electrogas and GasAndes pipelines in the central zone of the country. Enel Generación Chile’s share is equivalent to a 90 million m³ gas shipment. This business agreement allows the company to efficiently use the natural gas it possesses. Additionally, it represents an opportunity to maintain, and possibly increase, these types of transactions with Argentina, providing flexibility and profit for the firm.



JUNE

Enel Generación Chile and Universidad de Concepción began the first large-scale planting project in the country

The Enel Generación Chile’s general manager, Valter Moro,, and the President of the U. de Concepción, Sergio Lavanchy, began the process of reforestation 700 hectares within the framework of the agreement signed by both entities in 2016. This includes planting more than two million native species. This is an unprecedented project of large-scale reforestation in Chile.

A support plan was activated for the recovery of condors rescued in the Maule foothills

Enel Generación Chile provided assistance to the Agricultural and Livestock Service (SAG) of Talca, after they found two specimens of Andean condors in the Maule foothills. The company provided facilities and a professional team that specializes in emergencies with native fauna in the area.

Milestones 2017



Bocamina power plant dome started operating

Enel Generación Chile began operating the dome) of the Bocamina North coal storage yard. Bocamina is the first power plant in the country to implement a system like this, which allows Enel to better manage fuel. This project, together with the dome of the southern storage field, involved an investment of close to USD\$ 50 million.



Standard & Poor's affirmed the BBB+ rating for Enel Chile and Enel Generación

On July 31, the rating agency confirmed both companies' ratings. Standard and Poor's emphasized the solid financial capacity, a result of a policy that mitigates operating risks in the generation business. At the same time, they accentuated the stable and consistent regulation in the distribution business.



AUGUST

Enel Chile proposed merger with Enel Green Power in Chile and take-over bid for 100% of Enel Generación Chile

Enel Chile presented a merger proposal to incorporate the assets of the non-conventional renewable energy generation of Enel Green Power Latin America. This would involve Enel Chile, through its subsidiaries, developing all of the conventional and non-conventional renewable generation operations that the Enel Group has in Chile. The merger proposal is conditioned on the success of a Public Tender Offer of Shares (OPA, in Spanish) that Enel Chile would make for Enel Generación Chile, for 100% of the shares of the subsidiary that are owned by the minority shareholders of the latter.



SEPTEMBER

Coronel families sign an agreement with Enel Generación Chile

Nearly 144 resettled families from the Huertos Familiares neighborhood in Coronel signed an agreement with Enel Generación Chile that provides for economic compensation due to impacts on their quality of life due to the delivery of housing with construction problems, construction of a multi-court, and includes a methodology for defining compensation for defective housing. The ultimate goal is to enact consensual solutions and to collaborate for a new vision for the neighborhood.



OCTOBER

Enel Generación Chile was awarded 54% of the electricity tender

With the award of 54% of the bid, Enel Generación Chile was the big winner in the bidding process for electric supply in 2017. The tender offered contracts for 2,200 GWH a year from 2024 to supply regulated customers for 20 years. The company achieved this goal by an agreement with Enel Green Power Chile, which allowed presenting a competitive offer.



NOVEMBER

Enel Distribución Chile opened the first office in Concepción and inaugurated the first charging station for electric cars in Biobío

With the company's first commercial office outside its concession zone, the objective is setting the value of various customized solutions, for companies, institutions, and households, deepening their participation in the different markets. Its main lines of development are: commercializing energy to free customers; efficient public lighting projects; energy efficiency projects, and promoting electric mobility. In addition, the first charging station for electric cars in the region was opened, in the parking lot of the building where the new company facilities are located.



The first electric buses arrived to Transantiago

The vehicles were acquired by Enel and transferred to Metbus, by means of 10-year leases. The buses were integrated into the 516 transit route. In addition, Enel Distribución designed a model so that the different bus operators that want to participate in the next Transantiago tender (which will require at least 90 electric buses in their different routes) have a concrete and convenient alternative for incorporating zero-emissions technology into their fleets.

MOP and Enel Generación Chile signed a permanent agreement to operate and recover the Laja reservoir

The agreement ratified by the associations of water-canal users in the area complements the 1958 agreement and will provide security for irrigation needs. In addition, the use of resources for the generation of electric power will be more flexible



DECEMBER

The shareholders' meeting of Enel Chile gave the green light to the reorganizing the group in Chile

The Extraordinary Shareholders' Meeting of Enel Chile approved the performing of operation Elqui, which involves reorganizing the company by merging the assets of Enel Green Power Latin America S.A. and Enel Chile. Thus, all generation operations that the group has in the country, both conventional and non-conventional renewable, will be developed by Enel Chile through its subsidiaries.



Moody's ratifies the rating of Enel Generación Chile

The international agency confirmed the rating of Enel Generación Chile with stable perspectives.

Profile

Enel Chile

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Enel Chile is part of Enel Group, an Italian multinational company and one of the world's leading integrated operators in the energy and natural gas sectors, with a presence in more than 30 countries and four continents.

The company has an installed capacity of 6,351 MW for generation, with a generator park made up of 111 units through its subsidiary Enel Generación Chile, making it one of the primary energy companies in Chile. In 2017, Enel's electricity production reached 17,073 GWh, while energy sales totaled 23,356 GWh.

In the distribution business, Enel Chile covers a service area of more than 2,105 km², in 33 municipalities of the Metropolitan Region, as the largest electricity trading company in Chile, with 40% of the electricity sales in the country. Enel Distribución manages about 16,832 km of medium- and low-voltage lines. During 2017, it sold a total of 16,438 GWh, serving 1,882,394 customers with an energy loss rate of 5.1%.

Scope of the report

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This, our eighth annual sustainability report and the second under the new Enel brand name, provides information about all of Enel Chile's operations, and discusses the economic, environmental, and social management of the company during the period between January 1 and December 31, 2017. The report covers the operations of Enel Generación Chile, Enel Distribución Chile, its subsidiaries, and the Computer and Real Estate Services Limited (ICT, in Spanish) unit.

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The report was prepared following the New Standards of the Global Reporting Initiative (GRI) according to the "essential" compliance option and has been enhanced with indicators from the Sectorial Supplement of the Electricity Industry (SSEI). The sustainability report was verified by the auditing company EY to ensure that the information meets the requirements of the new GRI standard. The verification process involves identifying documentary evidence and verifying the processes used to generate the information and data communicated in the report. The report incorporates the suggestions presented by the audit company in charge of the verification. EY's external verification report can be found one page before Annexes section of this report.



Enel Chile's number in 2017

 2,529,347	 739,252	 1,948
OPERATING INCOME (MILLION PESOS)	EBITDA (MILLION PESOS)	NUMBER OF EMPLOYEES

Energy Generation Business

 111	 6,351	 17,073
NUMBER OF POWER GENERATION UNITS	CAPACITY INSTALLED (MW)	ELECTRICAL ENERGY GENERATED (GWh)

 57%	 23,356
ZERO EMISSIONS ENERGY	ENERGY SALES (GWh)

Energy Distribution Business

 16,438	 1,882,394
ENERGY SALES (GWh)	NUMBER OF CLIENTS

 5.10%	 16,832
ENERGY LOSSES	KILOMETRES OF NETWORK (MEDIUM TENSION/LOW TENSION)



1. TARAPACÁ (TG Y TV)

N° of units: 2
Type 1: Carbón
Type 2: TG – Diesel
Installed Capacity: 182 MW



2. ATACAMA (TG)

N° of units: 6
Type: Gas y Diesel
Installed Capacity: 781 MW



3. TALTAL (TG)

N° of units: 2
Type: Gas y Diesel
Installed Capacity: 245 MW



4. DIEGO DE ALMAGRO (TG)

N° of units: 1
Type: Diesel
Installed Capacity: 24 MW



5. HUASCO (TG)

N° of units: 3
Type: Diesel
Installed Capacity: 64 MW



6. LOS MOLLES

N° of units: 2
Type: Hidro
Installed Capacity: 18 MW



7. CANELA Y CANELA II

N° of units: 51
Type: Eólico
Installed Capacity: 78 MW



8. SAN ISIDRO Y SAN ISIDRO 2 (CC)

N° of units: 4
Type: Gas y Diesel
Installed Capacity: 778 MW



9. QUINTERO (TG)

N° of units: 2
Type: Gas
Installed Capacity: 257 MW



10. RAPEL

N° of units: 5
Type: Hidro
Installed Capacity: 377 MW



11. SAUZALITO

N° of units: 1
Type: Hidro
Installed Capacity: 12 MW



12. SAUZAL

N° of units: 3
Type: Hidro
Installed Capacity: 77 MW



13. BOCAMINA (TV)

N° of units: 2
Type: Carbón
Installed Capacity: 478 MW



Hydroelectric power plants



Wind farms



Thermoelectric power plants

- (CC): Combined Cycle
- (TV): Steam Turbine
- (TG): Gas Turbine
- N° of units: 105
- Installed Capacity MW: 6,351

ARICAY

PARINACOTA

TARAPACÁ

ANTOFAGASTA

ATACAMA

1

2

3

4

5

6

7

8

9

10

11

14

12

15

13

16

COQUIMBO

VALPARAÍSO

METROPOLITANA

LIBERTADOR GENERAL BERNARDO O'HIGGINS

DEL MAULE

BÍO-BÍO

LA ARAUCANÍA

LOS RÍOS

LOS LAGOS

14. MAULE POWER PLANTS



• CURILLINQUE

N° of units: 1
Type: Hidro
Installed Capacity: 89 MW



• LOMA ALTA

N° of units: 1
Type: Hidro
Installed Capacity: 40 MW



• PEHUENCHE

N° of units: 2
Type: Hidro
Installed Capacity: 570 MW



• OJOS DE AGUA

N° of units: 1
Type: Hidro
Installed Capacity: 9 MW



• CIPRESES

N° of units: 3
Type: Hidro
Installed Capacity: 106 MW



• ISLA

N° of units: 2
Type: Hidro
Installed Capacity: 70 MW

15. LAJA POWER PLANTS



• ANTUCO

N° of units: 2
Type: Hidro
Installed Capacity: 320 MW



• ABANICO

N° of units: 6
Type: Hidro
Installed Capacity: 136 MW



• EL TORO

N° of units: 4
Type: Hidro
Installed Capacity: 450 MW

16. BIOBÍO CENTRALS



• RALCO

N° of units: 2
Type: Hidro
Installed Capacity: 690 MW



• PALMUCHO

N° of units: 1
Type: Hidro
Installed Capacity: 34 MW

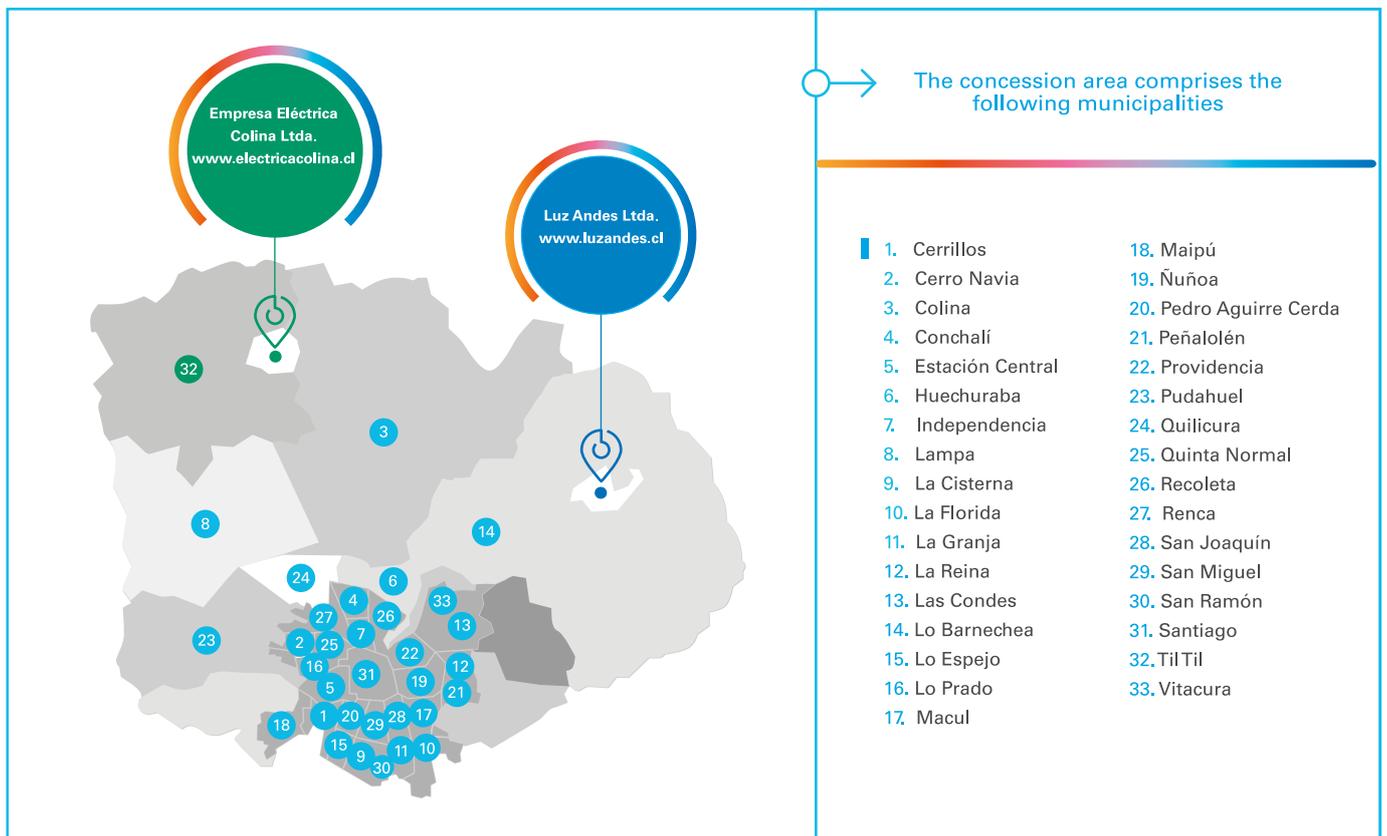


• PANGUE

N° of units: 2
Type: Hidro
Installed Capacity: 467 MW



Enel Distribución Chile's Service Area



Enel Chile is Open Power

102-16

Openness to the outside world, to technology and, internally, between colleagues. This is the strategic concept of Open Power. But to completely transmit to customers, our interlocutors, the essence of a new and innovative Enel, it is important to share this attitude of openness within the company. To create a common culture between all different

realities of the Group, we have identified a 'galaxy' composed of a Vision - for the first time in Enel- that represents the great long-term goal, a 2025 Mission expressed in five points, of values that represent the Enel DNA and ten behaviors that should inspire all the people who work in the company. Lets discover the galaxy Open Power together.





VALUES

Proactivity

Trust

VISION

Open Power to overcome some of the greatest challenges facing the world

MISSION

Open energy access to more people

Open new uses of energy

Open the world of energy to new technologies

Open new ways for people to manage energy

Open new partnerships

Ownership Structure

102-5

Enel Chile is controlled by the Italian company Enel S.P.A, which owns 60.62% of the shares issued by Enel Chile, the total shares being distributed among 6,459 shareholders.

The Ordinary Shareholders' Meeting was held in December 2017. Sharehold-

ers approved executing the Elqui Operation, a proposal to reorganize the company by merging with Enel Green Power Chile. After the merger, all the generation operations that the group has in the country, both conventional and renewable, will be managed by Enel Chile.

Corporate Governance

Enel Chile, as a global leader in the energy sector, has codes of conduct that regulate the behavior of all our members in their relationships with shareholders,

employees, suppliers, customers, creditors, and authorities. This provides transparency and helps to avoid conflicts of interest, irregularities, or inappropriate

behavior associated with accounting, internal audits, or other functions.

Governance Structure

102-15

The Corporate Government of Enel Chile is composed of a team of professionals with vast experience in the electricity sector. Their decisions are the ones that

guide the direction of the company, aligning it with the interests of the Enel Group and adapting it to opportunities and risks in the local market, with efficiency and

transparency, while maintaining an active relationship with various stakeholders.

The Board of Directors

The Board of Directors is the highest corporate governance body of Enel Chile, and as such, plays a leading role in the definition and approval of the corporate mission and values, operational policies, and codes of conduct, as well as the company's business strategy.

The Board is composed of seven members, elected at the Shareholders' Meeting. Members hold office for three years and may be re-elected. In accordance with the provisions of Article 39 of the Public Limited Companies Law, the functions of the Board of Directors of a Public Limited Company are not

delegable and are exercised collectively. The Directors' Committee reviews matters in its areas of competence. This Committee is composed of three members, one of them being the Director, who is elected without the votes of the controller. This is the only committee in the company.

The duties of the Board of Directors include the appointment of the General Manager and the main executives. The Board of Directors is also responsible for decisions in economic, environmental, and social matters, and may delegate part of its powers to the General

Management. For this purpose, there is a power structure, approved by the Board of Directors, including the various approval levels, according to the nature of the matter being dealt with.

The General Manager and his executive team report the results of their management to the Board on a monthly basis, identifying, evaluating, and defining courses of action regarding the impacts and risks in each area of the business. Along with an annual analysis of process and business risk maps, this group analyzes a relevant risk per session, according to the Risk Analysis Schedule.

	102-15	102-18	102-19	102-20	102-21
102-22	102-23	102-24	102-25	102-26	102-27
102-28	102-29	102-30	102-31	102-33	405-1

The Sustainability and Community Relations Management department informs both the General Manager and the Board of Directors about related matters and how they are managed to comply with the Sustainability Plan. In addition, the

departments of Institutional Relations, Investor Relations, Communications, and occasionally other departments inform the Board of Directors about the results of relationships with the company's various stakeholders.

Procedures

The following procedures inform directors and shareholders:

Induction Procedure for New Directors:

A protocol for the communication of the mission, vision, and strategic objectives of Enel Chile, through meetings with the Chairman of the Board of Directors and with the company's various management departments. As part of the induction, the Human Rights Policy, the Sustainability Reports, the Code of Ethics, the Zero Tolerance for Corruption Plan, and the Diversity Policy are communicated to new directors.

Permanent Training Procedure:

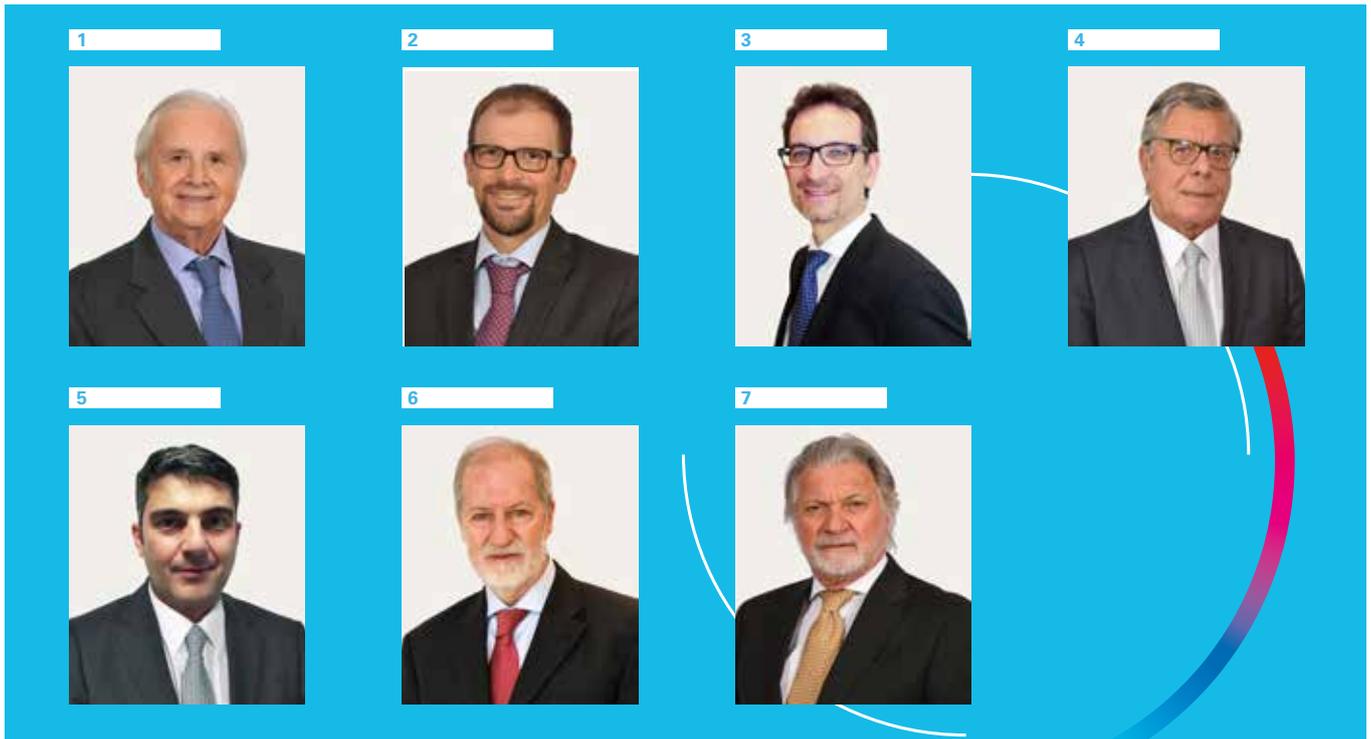
Consists of continual training activities for the members of the Board of Directors about regulatory or organizational changes, or any event relevant to the company, supplying the Board with tools to fulfill their objectives and strengthen relevant competencies for their performance.

Procedure for Informing Shareholders:

A protocol for informing shareholders, in advance, about candidates for company directors and about their experience and professional profiles, such as their relationship with the company and the industry.

Board of Directors

Enel Chile is managed by a Board of Directors composed of seven members, who remain for a period of three years in office and may be re-elected. The Board of Directors was elected at the Ordinary Shareholders' Meeting held on April 28, 2016. In accordance with the Public Limited Companies Law, if a vacancy occurs for a director's position, the entire Board must be renewed at the next Ordinary Shareholders' Meeting that the company holds and, in the meantime, the Board may appoint a replacement for the director's position. Alternate members are not considered.



1. PRESIDENT

Herman Chadwick Piñera

Lawyer
Pontificia Universidad Católica de Chile
National Identity Number: 4.975.992-4
Since 04.28.2016
Chilean

2. DIRECTOR

Giulio Fazio

Bachelor's degree in Law
Universidad de los Estudios de Palermo
Passport YA 4656507
Since 04.28.2016
Italian

3. DIRECTOR

Salvatore Bernabei

Industrial Engineer
Università degli Studi di Roma "Tor Vergata"
Master in Business Administration, Politécnico di Milano.
National Identity Number: 24.220.743-2
Since 04.28.2016
Italian

4. DIRECTOR

Fernán Gazmuri Plaza

Commercial Engineer
Pontificia Universidad Católica de Chile
National Identity Number: 4.461.192-9
Since 04.28.2016
Chilean

5. DIRECTOR

Daniele Caprini

Bachelor's degree in Economics
Università degli Studi di Siena
Master in Business Administration
Roma-Università LUISS
Passport: YA9188092
Since 03.01.2018
Italian

6. DIRECTOR

Gerardo Jofré Miranda

Commercial Engineer
Pontificia Universidad Católica de Chile
National Identity Number: 5.672.444-3
Since: 04.28.2016
Italian

7. DIRECTOR

Pablo Cabrera Gaete

Lawyer and Diplomat
Pontificia Universidad Católica de Chile.
Diplomat graduated from Andrés Bello
Diplomacy Academy.
National Identity Number: 4.774.797-K
Since 04.28.2016
Chilean

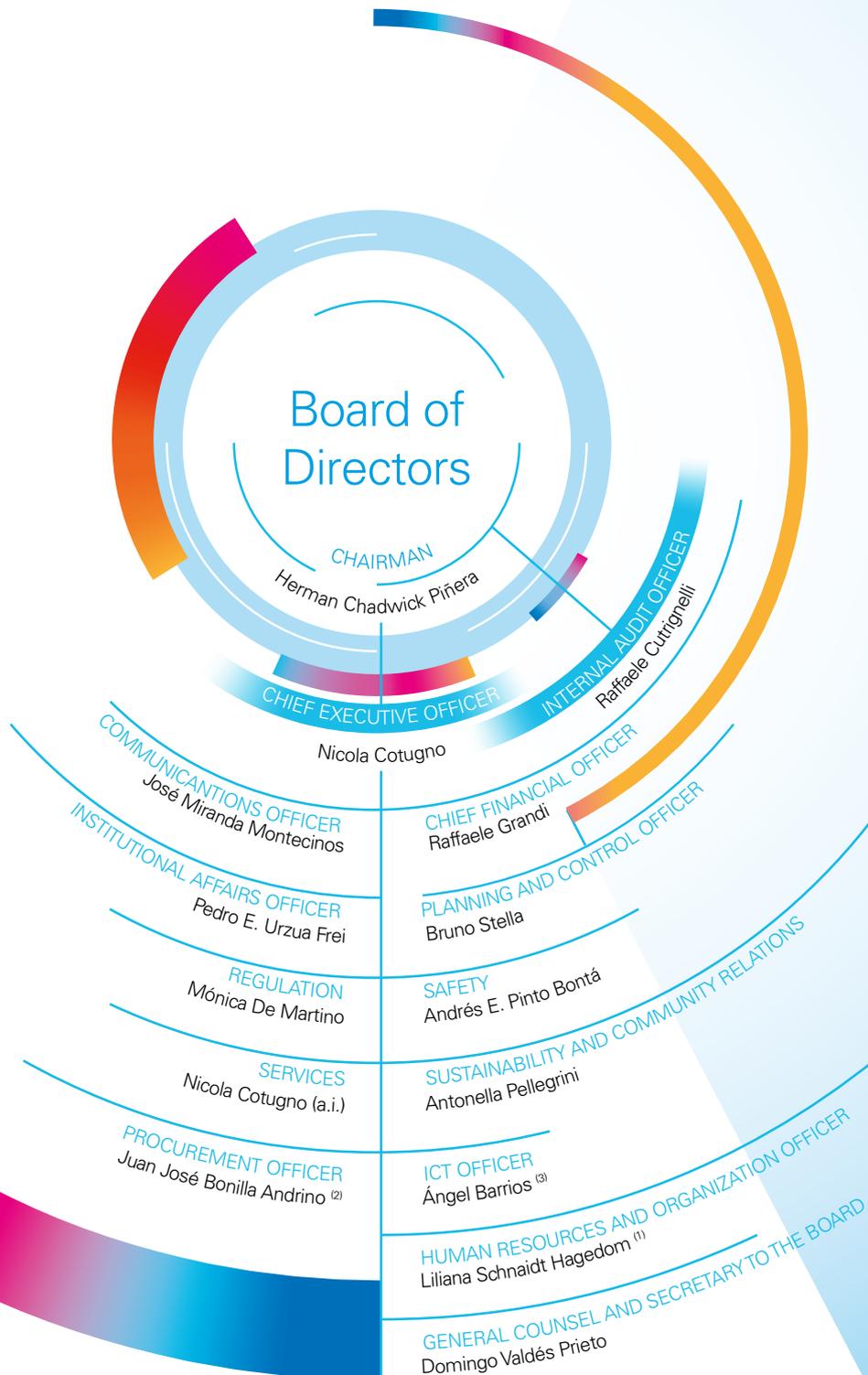
En los últimos dos años también fueron directores de Enel Chile:

Vincenzo Ranieri

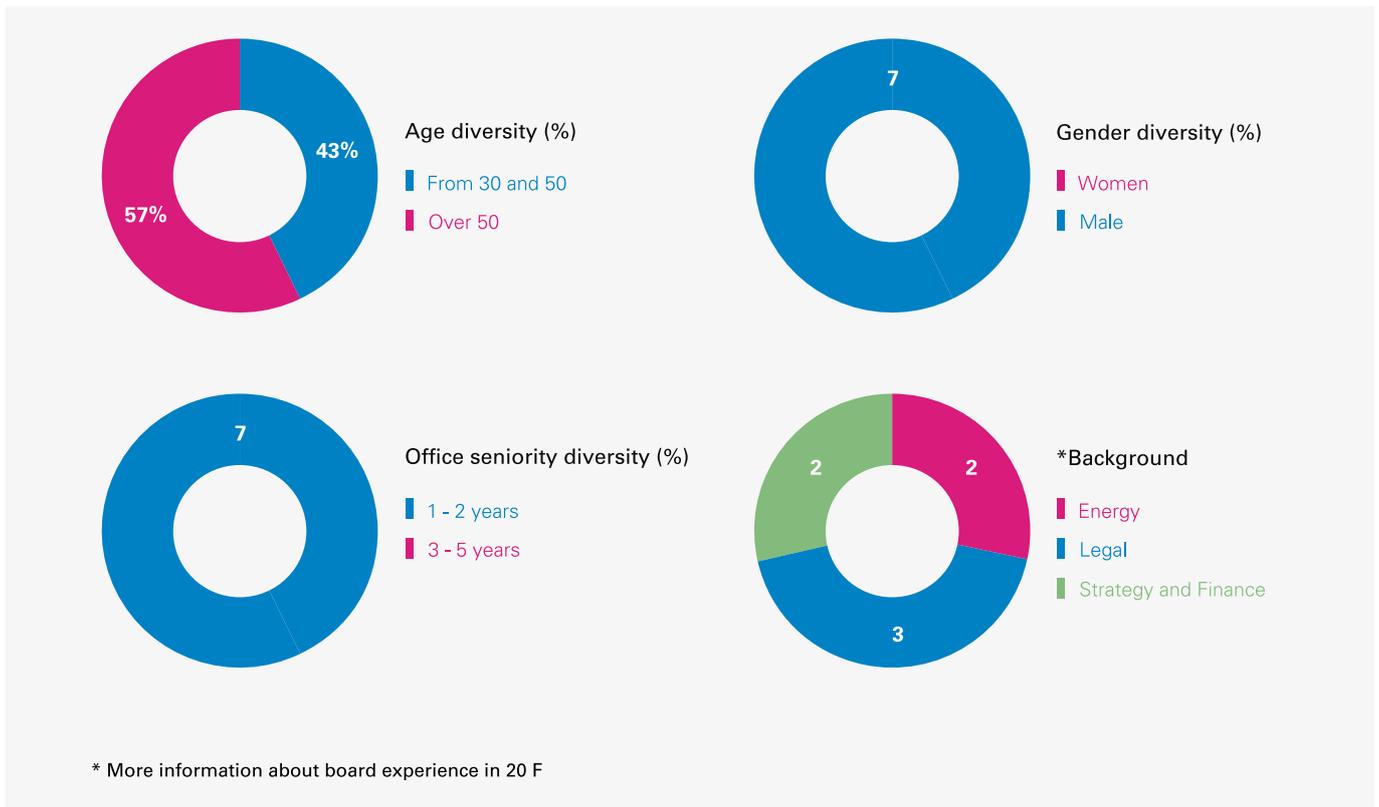
Bachelor's degree in Business Administration
Universidad de LUISS in Italy
Passport: YA 7616919
From: 04.28.2016
Until: 02.28.2018

Organizational Structure

102-20



Diversity on the Board of Directors



Internal Audit

Enel Chile's success in business management is due in part to the correct implementation and effective operation of an Internal Control and Risk Control System aligned with the business model. The Internal Audit Management department is responsible for ensuring the efficiency and effectiveness of the internal control and risk management system in an objective and independent manner. This department adds value through reviewing and monitoring activities that assist in the continuous improvement of processes and relative controls, always keeping in mind the constant evolution of risks in a business context. Due to its sensitive nature, the Internal Audit Management department is situated outside the line of business that reports directly to the Board of Directors.

The auditing processes performed by this department allow them to periodically evaluate —taking a risk-based per-

spective— the functioning of the diverse operations of the company, identifying areas that need improvement and facilitating—in conjunction with the process owner— action plans that allow them to strengthen the Internal Control System.

The department regularly reports the results of each audit and the supervision of the implementation of action plans to the Board of Directors that directly oversees the proper execution of the improvement plans.

Each audit includes control activities associated with the Criminal Risk Prevention Model (MPRP), a framework that contains the requirements of the Crime Prevention Model of Law 20393, and which encourages the adoption of international best practices to prevent and detect potential risks of illegal activity, fraud, and any action that may be in conflict with the ethical principles of the Enel Group.

102-16



Ethical Standards and Behavior



102-16

102-17

Enel Chile is fully committed to complying with its ethical standards and behavior, and the legislation in force in each of the businesses where it operates, both in its internal relations and in its external relations with other stakeholders. Transparency and acting ethically in our activities are an integral part of the values that build trust and responsibility with all of our stakeholders.

The Board of Directors is the body in charge of compliance with ethical standards and the prevention of criminal risks in the company, a task that is delegated

to the Internal Audit Management department, with its monitoring and management.

In order to avoid conflicts of interest, the company strictly adheres to the Public Limited Companies Law, which establishes independence and no conflicts of interest within its criteria. In turn, the Board has adopted the voluntary practice of General Standard N ° 385 of Chile's Superintendent of Securities and Insurance (SVS, its acronym in Spanish) and the current Commission for the Financial Market, (CMF, in its Spanish acronym).

The General Standard N ° 385 recommends the advice of an external expert for detecting and implementing eventual improvements, or for strengthening areas in its operation. Thus, an independent expert evaluates these matters annually and then issues a report, which is presented to the Board of Directors. In March of each year, the Board informs the market, by means of the SVS and the current CMF, of the voluntary good corporate governance practices suggested by the external expert that it has adopted and implemented in the preceding year.

Compliance System

Enel Chile has a Model for the Prevention of Criminal Risks, based on the Code of Ethics and the policy of Zero Tolerance for Corruption. The company is opposed to any form of corruption, direct or indirect, in all of its processes on the value chain, in its places of operation, and with any of its stakeholders.

The Criminal Risk Prevention Model is the basis of the Compliance System of the Enel Group, which is composed of a series of specific programs, such as the

Enel Global Compliance Program (approved in 2016), which responds to local legislation and to the highest international standards, such as ISO 37001, the Foreign Corrupt Practices Act FCPA- (USA), and the Bribery Act (United Kingdom). In the same way, the Group has incorporated the definitions of the Global Compact and the Sustainable Development Goals, both developed by the United Nations, into its policies and models.

103-2

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Main documents of the Criminal Risk Prevention Model:

Among the instruments that regulate ethical behavior is the Criminal Risk Prevention Model, which contains the following items:

- > A Code of Ethics.
- > The Enel Global Compliance Program.
- > A Plan of Zero Tolerance for Corruption (PTCC, its Spanish acronym).
- > A protocol of action in dealing with public officials and public authorities.
- > A protocol for the acceptance and offering of gifts, presents, and favors.
- > The Internal Regulation of Hygiene and Safety Order
- > A Conflict of Interest Management Policy

Conflict of interest policy

The Criminal Risk Prevention Model covers all the requirements of the Crime Prevention Model, defined in Law 20393.

The purpose of the Compliance System is to facilitate Enel's development of long-term, trusting relationships with its stakeholders, enabling Enel's employees to carry out activities in a responsible manner and to communicate them transparently. Focusing on creating shared value allows us to collaborate with the local industry in the definition of a common compliance standard, in line with international best practices. This system is viewed as the central axis of the company's operations and is, therefore, a guide for conduct for all employees of the organization.

The Board of Directors approves the programs of the compliance system, relying on the Crime Prevention Officer for their implementation. The Crime Prevention Officer has the necessary organizational

autonomy, empowerment, and resources for the proper exercise of his or her duties. Periodically, the Board evaluates and monitors the implementation and improvement of programs at the process level. The activities of management, supervision, and improvement of compliance programs are continuous and permanent, through specific work programs developed for a period of one year and more. This plan has been formulated in a "Compliance Road Map" document, which is a guide and the basis for the execution of compliance activities, both internally and externally.

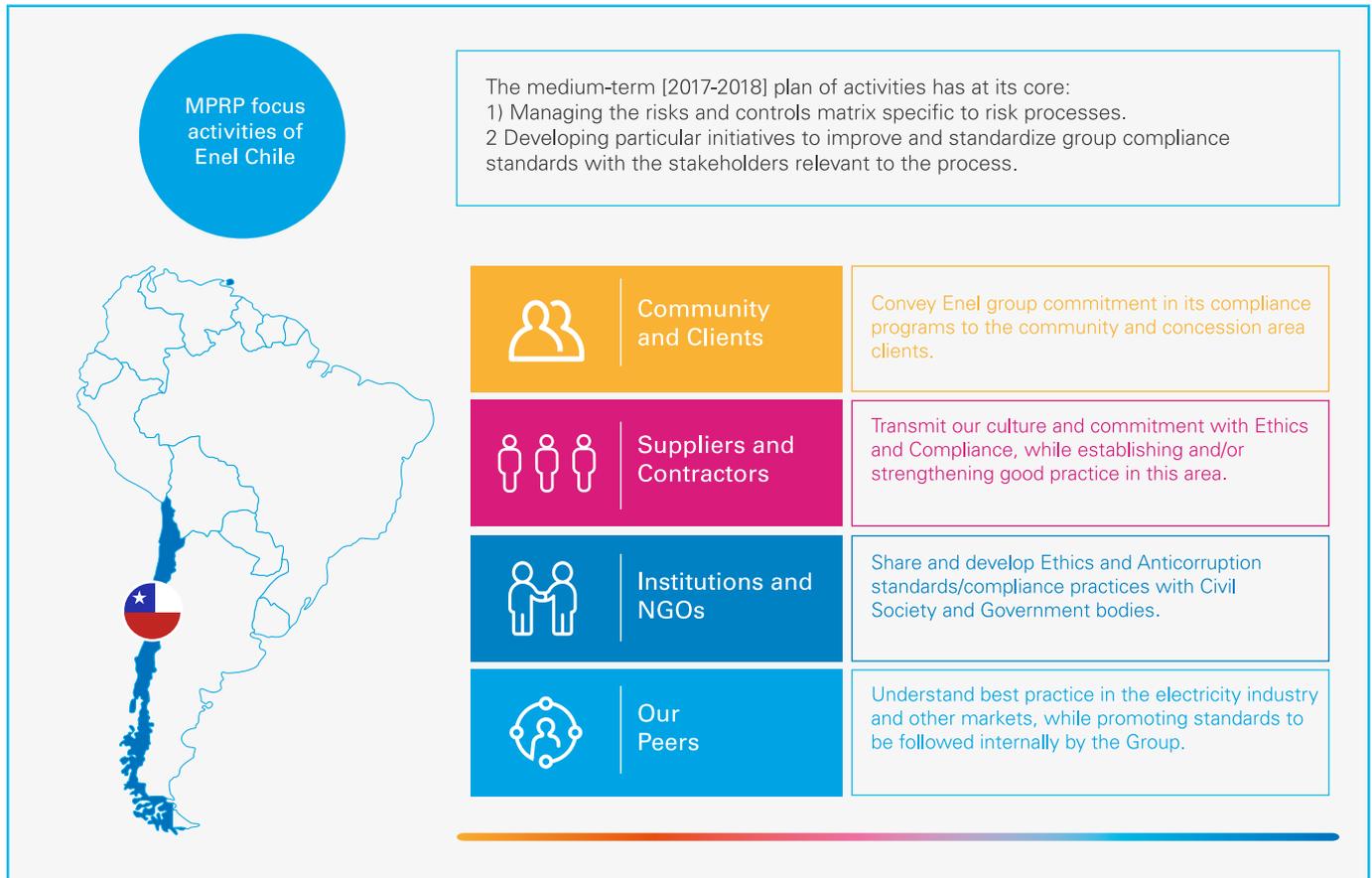
For their part, suppliers and contractors agree to adhere to the provisions of these programs, through the General Contracting Conditions. The General Contracting Conditions are a set of clauses that reinforce the importance of and facilitate the control of the correct implementation of the Compliance System, specific to Law 20393 for Enel Chile and each of its sub-

siaries, each of which has its own specific compliance system. The company is constantly improving the continuous monitoring of the status of its suppliers through annual counterpart reviews, which are currently being extended into a permanent monitoring system.

When someone observes a potential or real action contrary to the principles of the Criminal Risk Prevention Model, any stakeholder can make a complaint through the Whistleblower Channel, managed by the Internal Audit Department. The Whistleblower Channel has specific management procedures to ensure confidentiality and to guarantee that there is no retaliation against whistleblowers.

Regarding the hiring of consultants and other professional services, Enel Group has specific procedures that provide for analysis of the contracted party and the realization of Due Diligence when nec-

COMPLIANCE ROAD MAP



essary. All supplier contracts provide for revisions to the contracted party involved in the early risk management approach, relying on different external tools (e.g., Thomson Reuters - WorldCheck) for an adequate risk assessment.

These actions are supported by internal policies that determine the frameworks for carrying out activities with a high risk of corruption. In this sense, the Board of Directors of Enel Chile must approve, prior to its execution, all commercial transactions involving Persons Exposed Politically and Related to the Latter (PEP-CO, its Spanish acronym). Once a year, all suppliers are reviewed in relation to international lists of PEP persons, with the results of these analyses delivered to the Boards.

When starting to work with the company, each employee, supplier, executive, or contractor receives a copy of the Code of Ethics, the Corruption Prevention Plan, and other preventive documents. They also receive specific training according to their function in or with the company. Similarly, the company makes the policies, dissemination campaigns, and informative videos on the prevention of corruption, among other tools, available to collaborators via its portals (e.g., intranet, information screens).

There are also various training methods (face-to-face and e-learning) utilized, including senior management functions and/or sensitive areas and functions, based on the results of the Criminal Risk Prevention Model analysis.

In December 2017, an Internal Seminar on Good Compliance Practices was held with the participation of other companies in the industry, and public and private sector actors, with the aim of spreading and raising awareness about the importance of the compliance program.

Through the company website, customers, the community, and the general public can learn about the company's compliance programs. There are also options to report possible inappropriate or behaviors that are contrary to any of the group's compliance programs. This channel is managed using a platform external to the Organization, which incorporates Industry standards in the field of confidentiality, and is accessible by internet, by telephone, or in written communication.

Code of Ethics

Enel Chile has a Code of Ethics that sets out commitments and ethical responsibilities in management and business activities. This document aims to establish the principles of action for all members of Enel Chile. It describes the type of conduct that is compatible with the values of the company and is expected from all employees and contracted parties of the organization. Compliance of the Code of Ethics is verified through, the knowledge and awareness of employees, heads of departments, and executive levels.

Enel Chile's Code of Ethics is made up of 16 principles that determine the criteria for conduct that members of Enel Chile and its companies must follow, including directors, administrators, employees, and contractors, at all levels.

The Code of Ethics establishes: (i) The general principles that should govern the relations of the members of Enel and its collaborators with their public of interest, aligned explicitly with the values of the company; (ii) the criteria of conduct that provide the rules and norms by which the Enel collaborators have to abide to respect the general principles and to prevent the risk of unethical conduct; and, (iii) the mechanisms of implementation, which describe the control system for compliance with the code of ethics and for its continuous improvement.

Compliance Activities

The compliance activities developed by the Enel Group have focused on the identification, detection, and mitigation of risks primarily associated with corruption. In this category, the most significant risks are related to potential conflicts of interest in the procurement cycle (bidding processes, awarding, and contract management), and in the operative management of contracts between contractors and customers.

In 2017, the following evaluations have been used to develop these processes:

1. Evaluation of the Fraud Risk Assessment Matrix-FRA

The business units of the Enel Group were subjected to risk assessments related to corruption with the new tool, the Fraud Risk Assessment (FRA), which consists of mapping and evaluation of all types of fraud events that could occur in the Organization, and which is carried out in line with the Audit Risk Assessment.

2. Evaluation of the Matrix of Risk Assessment

Risks were evaluated, applying the international standard methodology C.O.S.O. (Committee of Sponsoring Organizations of the Treadway Commission), for 100% of the processes in Enel Chile and Subsidiaries.

3. Evaluation of the Matrix of Risks of the Model of Prevention of Criminal Risks

Specific risks outlined in Law 20393 were verified for Enel Chile and its subsidiaries, each having its own specific compliance system.

4. Ethical Channel

The ethical channel was made available to all stakeholders. It makes anonymous reporting possible, with guarantees of confidentiality and non-retaliation for whistleblowers. Its administration is external, and all information obtained by means of this channel has restricted access.

Ethical Channel

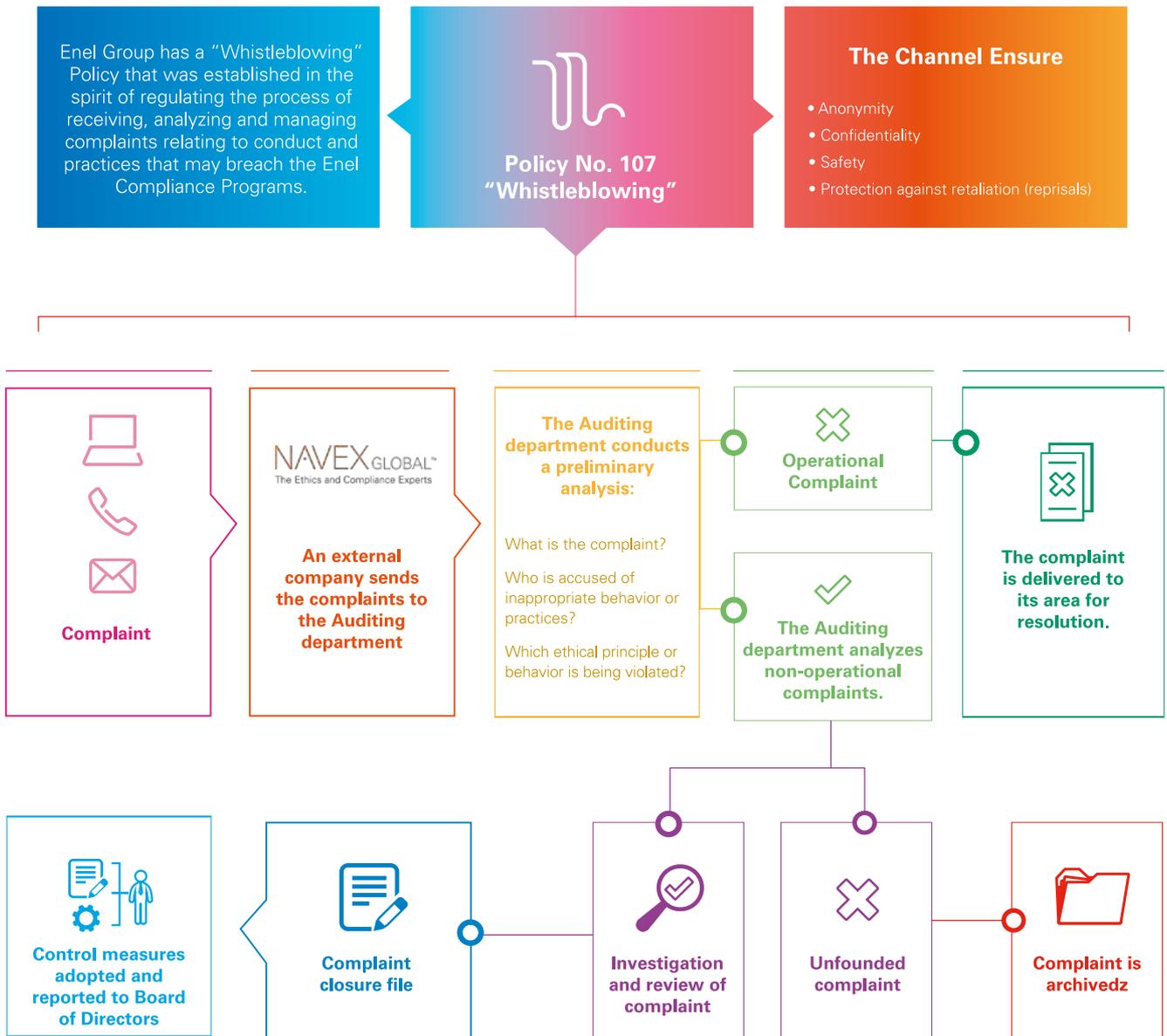
Enel Chile, in order to achieve the highest level of satisfaction from its stakeholders, has established an ethical channel that allows all stakeholders to report irregular or inappropriate behaviors related to accounting, control, internal auditing, and behaviors relating to Law No. 20393, such as money laundering, terrorism financing, as well as offenses of bribery, and receiving stolen goods.

The channel permits the receipt of complaints, anonymously or personally, and is available through the corporate portal, internet, telephone, and via written communication. The channel is governed by the group’s global policy No. 107, called “Whistleblowing,” which emphasizes the guarantee of anonymity without reprisals, protection against bad faith complaints, and protection of the complainant (Policy of No-reprisal). This policy defines specific criteria about response times and about notifying the complainant about results.

Complaints can be made through the website:

<https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html>

In 2017, 17 complaints were received through the Ethical Channel for Enel Chile and its Subsidiaries. These complaints revealed 5 non-significant infractions - all duly managed - of the Company’s Code of Ethics, in matters of contract management and work environment.



Risk Control and Management

Risk control and management is part of the corporate governance structures of the company. Risk must be considered as another element of the operational plans in order for this to be effective. Factors that may negatively affect business objectives must be identified and analyzed, and their possible consequences quantified. The probability of risk occurrence must also be quantitatively estimated to determine necessary actions to avoid any negative impact on business objectives.

The company has a Risk Control Policy that considers good corporate governance practices recommended by national and international regulations (ISO 31000, COSO and General Standard N° 385, SVS). The Risk Control and Management Policy are the decisions that the company takes to establish what the acceptable limits are for the risk levels, within which the normal development of the business must be considered.

To this end, it is necessary to identify and analyze what factors can affect achievement of the business' objectives, in order to determine the actions that are necessary so that these objectives can be obtained with more certainty.

When raising awareness of business risks, those that could be a threat to the company's sustainable growth are analyzed, including the relationship with communities, the derivatives of climate change, reputational risk, etc.

Commitment to Human Rights

103-2

103-3



Enel Chile is committed to ensuring respect for Human Rights in all of its operations and commercial relations. Through the Human Rights Policy, the company urges its collaborators, contractors, suppliers, communities, and business partners to adhere to these principles, with particular attention to potential conflicts or risks in labor practices and the relationships with the communities we serve.

This policy is based on guidelines provided by various international treaties, such as the International Declaration of Human Rights, the Fundamental Conventions of the International Labor Organization (ILO), the United Nations Convention on the Rights of the Child and ILO Convention 169 on the rights of indigenous peoples, among others, as well as in var-

ious internal company documents, such as the Code of Ethics, the Zero Tolerance Plan for Corruption, the Model for the Prevention of Criminal Risks, and the International Framework Agreement with World Trade Unions.

When a potential or real action contrary to these fundamental rights is observed, anyone can make a complaint through the Whistleblower Channel, which is managed by the Internal Audit Management department.

Enel Chile carries out due diligence on Human Rights every year, through which potential risks of non-compliance with the company's policy are identified and mitigation plans are determined to then evaluate the implementation of the measures adopted.

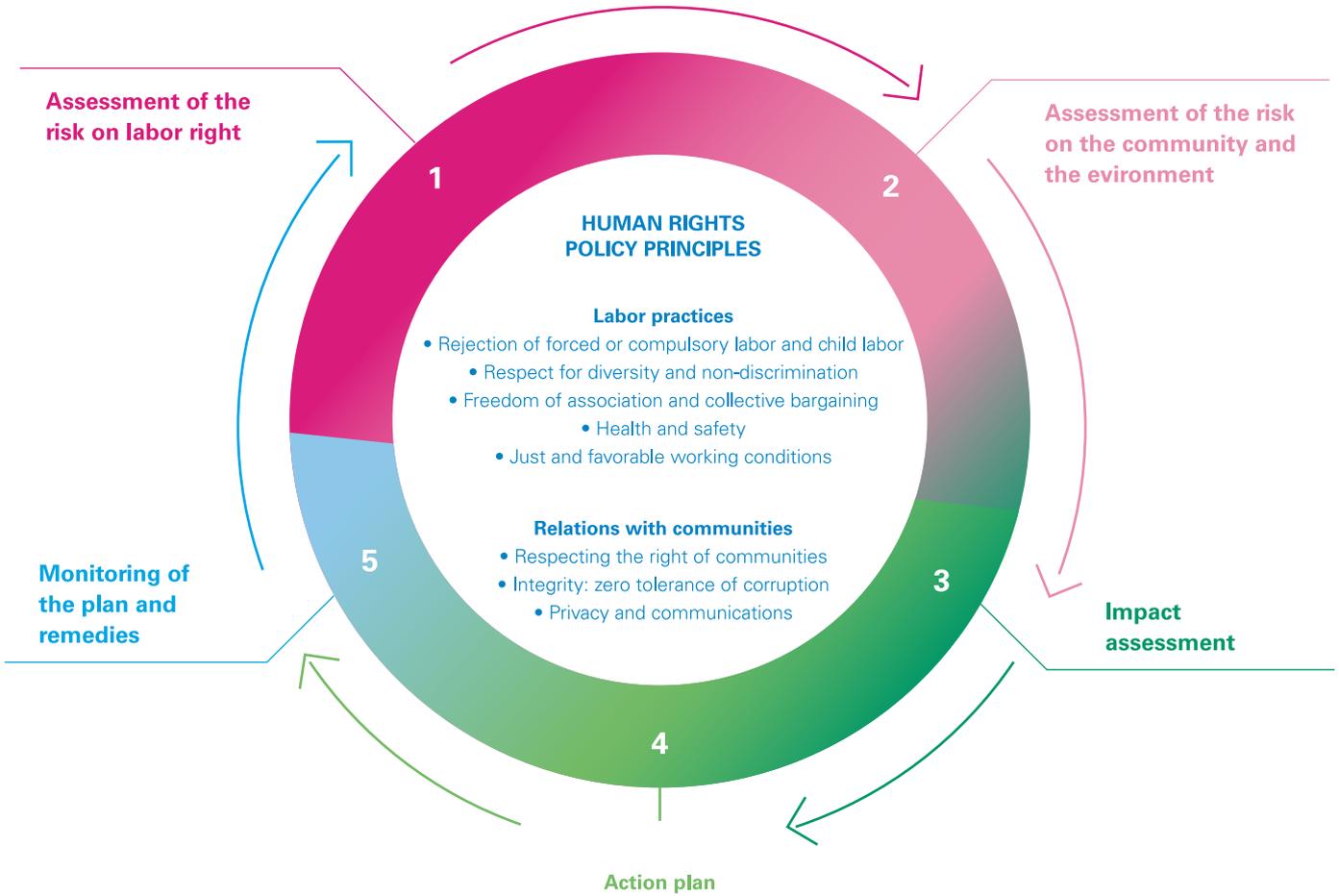
During 2016, Enel Generación developed a due diligence process that involved the following areas:

- > Sustainability
- > HSEQ (Health, Safety, Environment, Quality)
- > Procurement
- > Auditing
- > Control of Contractors
- > Human Resources

The scope of the due diligence included the areas of influence of the following facilities and basins:

- > Maule Basin
- > Laja Basin
- > Biobío Basins
- > Bocamina thermoelectric power plant

Commitment to Human Rights



In 2017, in accordance with the remediation plan, we traced the gaps identified and actions implemented. As a result of this analysis, more than 50% reduction in the number of incidents relating to the 8 principles of the human rights policy was observed. Particularly of note was a reduction from 61 to 21 incidents relating to Principle 6, which pertains to respect for local communities' human rights. This reduction was chiefly due to the remediation performance in response to the negative impacts caused by the relocation of the communities surrounding the Bocamina Plant.

More than **50%**

reduction in the number of incidents since 2016.

21

incidents relating to Principle 6, a reduction of 40 from the previous year.

30

total incidents

As a result of due diligence, Enel Chile has defined a Remediation Plan for past and present conditions and current risks due to factors affecting its Human Rights Policy commitments.

Context of the Energy Industry

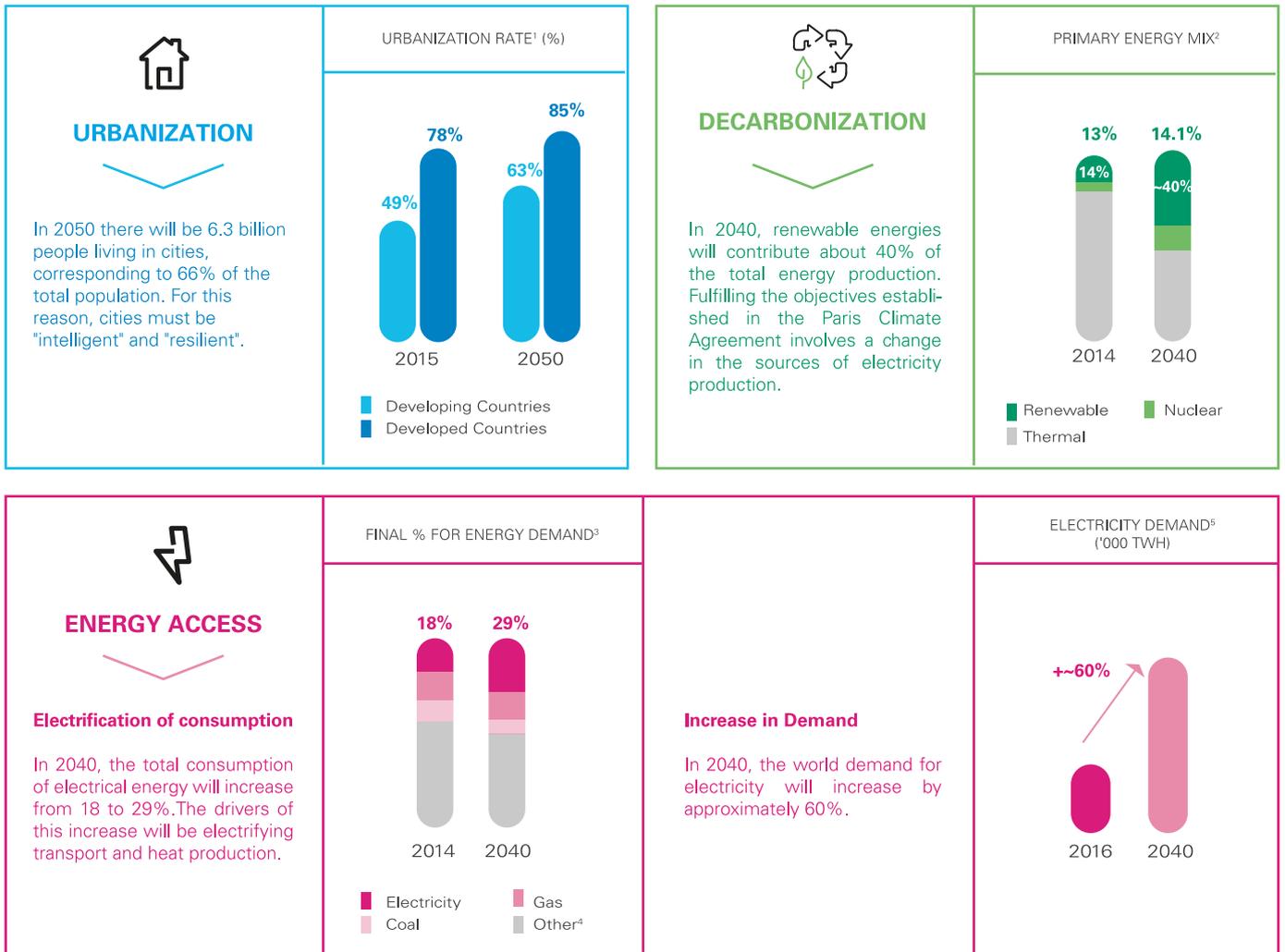
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The energy industry is extremely dynamic and currently in transition, and traditional energy generation and distribution technologies are no longer sufficient.

The industry is influenced by profound changes such as demographics, increasing urbanization, and the de-carbonization of the productive matrix to face the challenges of reducing greenhouse gases, in addition to the rapid incursion of economically viable renewable alterna-

tives. There is also a growing increase in the demand for electricity as a source of energy, along with emerging new uses and electrical solutions, such as in transport and energy efficient domestic and industrial uses. The technological revolution, regulatory changes, and more empowered communities and consumers force the industry to constantly innovate its processes all along the value chain in order to meet the expectations and demands of different stakeholders.

As a result, there is a growing integration of renewable energies in the energy mix, requiring flexible management of energy and smart and integrated energy solutions. However, stakeholders generally oppose large-scale energy projects, and an uncertain and changing regulatory framework increases the risks for long-term investments. Likewise, the changing dynamics of the electricity network requires innovative and technological solutions.



1. United Nations, World Population Prospects, Versions 2014 and 2015.
 2. IEA-IRENA Perspective for the Energy Transition 2017.
 3. IEA: WEO 2016 and IEA IRENA 2017-NPS (New Policies Scenario).
 4. Other includes Petroleum, Heat, Biomass & Residuals and Hydrogen.
 5. BNEF NEO 2017, June 2017.



To be competitive, energy companies will have to develop innovative business models that can generate new sources of income which adapt to the changing social, political, economic, and technical challenges posed by these situations.

Taking into account these rapidly changing scenarios, Enel wants to create the future of the energy world: a world in which old power plants take on new life, where connections travel faster, smart homes and smart cities become a reality, meters facilitate dialogue between homes and people, and electric transport increases its market penetration.

In this context, Enel Chile, in line with Enel Group in general, has identified some key emerging risks:

> **Cyberattacks (“cyber risk”):** The era of digitalization and technological innovation means growing exposure to cyberattacks for companies, which are increasingly numerous and sophisticated. The organizational complexity of the Group and the numerous environments it is made up of (data, people and the industrial world) expose assets to the risk of attacks. The Enel Group has adopted a risk management model based on a “systemic” vision that integrates the traditional IT industry, operational technology already tied to the industrial sector, and the Internet, to tools related to the networking of smart “objects.”

> **Paradigm change in the world of energy and transformation of the business model of public services:** New macroeconomic and energy trends, technologies, and actors can potentially increase or decrease the intermediary role of the traditional business model of public services. This happens in particular via a combination of factors related to digitization, decentralization, and changes in consumer needs. Enel’s “Open Power” vision provides a frame of reference to respond to the challenges of the transition to the services of the future. The pillars of this strategy are the development of new businesses, industrial growth, and agility in management (operational efficiency, simplification of the organizational structure, short-term remunerations, active portfolio management), while centrality of our customers and digital transformation are the main actors.



02

Our Priorities

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I. Our Stakeholders

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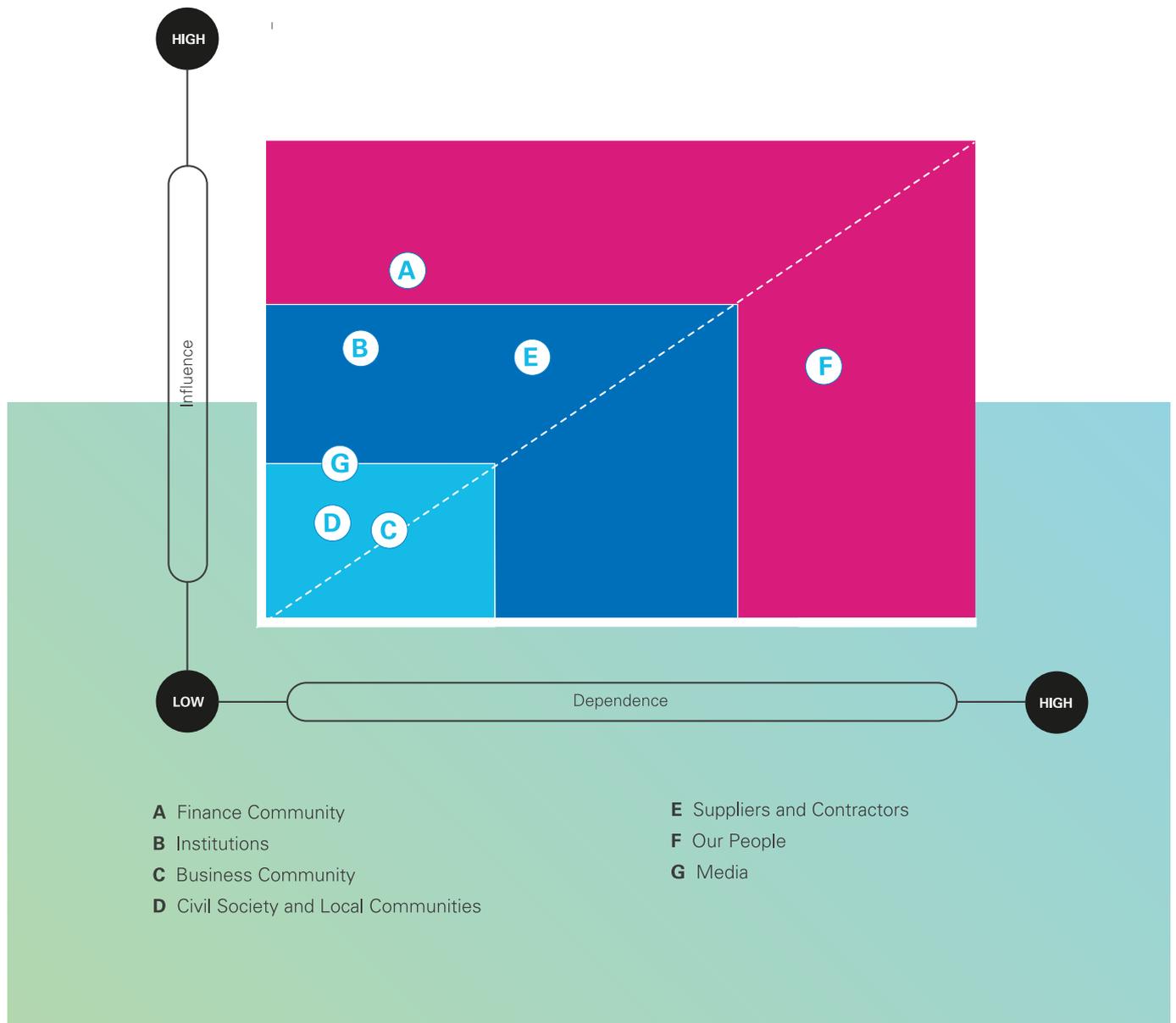
The success of Enel Chile's business strategy depends both on its operational excellence and on the company's ability to relate effectively with its various stakeholders. This is why the company has a tool for prioritizing its stakeholders, based on three variables: Influence, Dependence, and Tension.

Influence	The degree to which a stakeholder impacts the strategic or operational decision-making of the organization.
Dependence	The degree to which a stakeholder directly or indirectly depends on the activities, products, or services of the organization and its performance.
Tension	The degree of immediate attention from the organization in the face of controversies.

According to the prioritization results, specific relationship strategies are defined by the needs and interests of each stakeholder. Permanent relationships with each group are managed by the different areas of the company.

The six Enel Chile stakeholder categories were evaluated according to these three variables, on a scale that considers five levels of importance, which establishes the degree of relevance of the company towards its different stakeholders and vice versa. The Stakeholder Matrix is a result of this analysis.

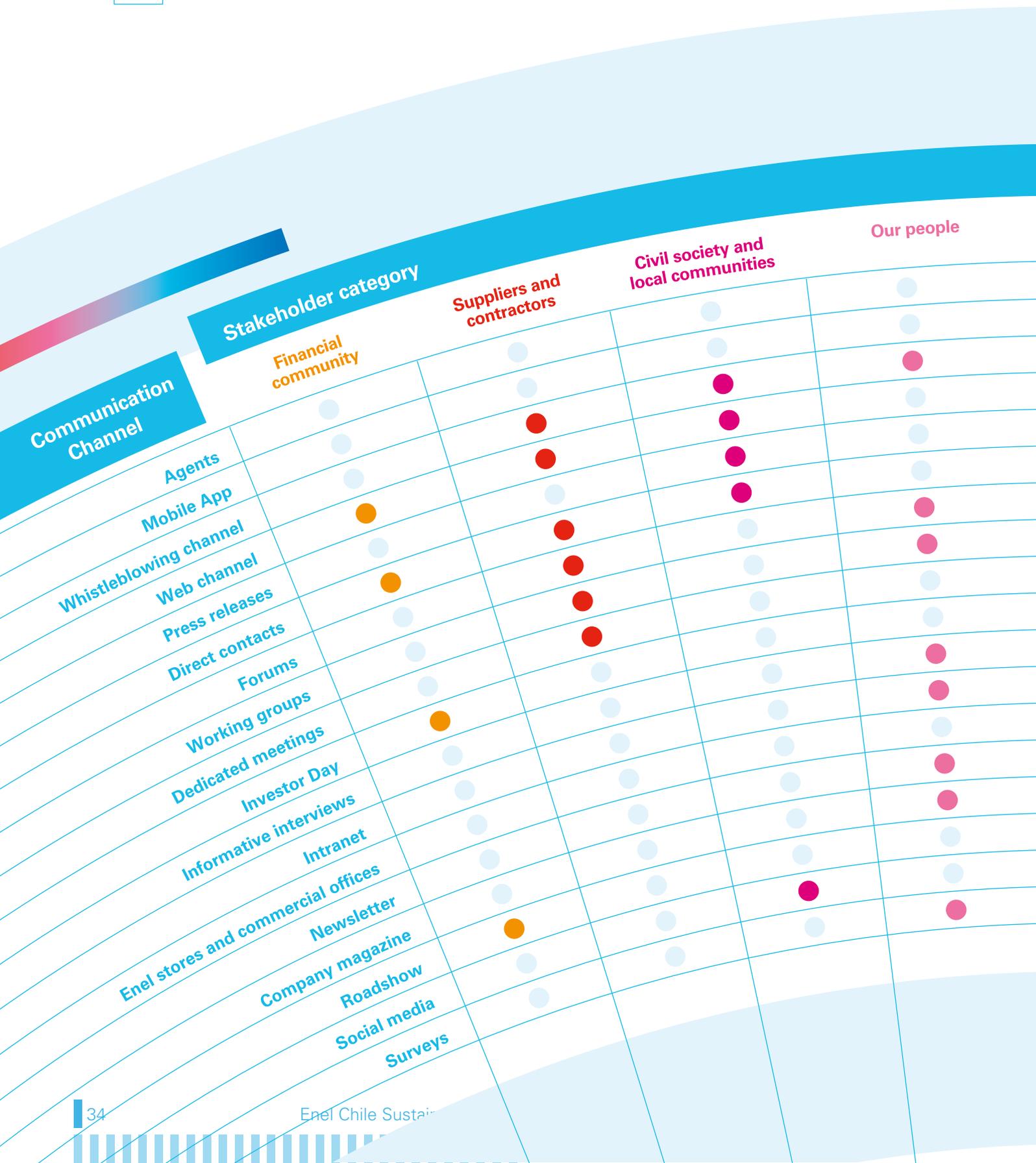
Enel Chile Stakeholders' Matrix:



Each year, the relationship instances raise the material aspects to be included in the sustainability report, which makes this document a true reflection of the management of the company's sustainability strategy.

Communication Channel with stakeholders

102-43





Association Memberships

102-12 102-13

Enel Chile and its subsidiaries constantly manage their relations with institutions (local, national and international) in line with the provisions of Enel Group's Compliance Program.

This provides complete and transparent information to create better conditions in which the institutional interlocutors can make the decisions for which they are responsible. Therefore, as explicitly stated in its Code of Ethics, "Enel Chile does not finance political parties, their representatives or candidates, or sponsor conferences or parties that have the sole purpose of political propaganda. It abstains from any type of direct or indirect pressure on political components (for example, via public concessions to the Company, accepting hiring suggestions, consulting contracts, etc.)."

However, Enel Chile and its subsidiaries are involved in trade associations and business associations. Through these

memberships, Enel Chile plays roles that include the representation and positioning of the member companies in the development of regulatory frameworks related to their commercial activity.

The annual contributions made by Enel Chile and its subsidiaries during the last four years to the organizations mentioned above were CLP\$860,796,391 in 2017, CLP\$738,284,429 in 2016, CLP\$803,429,591 in 2015 and CLP\$526,510,635 in 2014.

In particular, during 2017, the three most important contributions made to associations were to the Association of Generators (CLP\$417,861,342) through its subsidiary Enel Generación, to the Association of Electric Companies A.G. (CLP\$245,854,942) through its subsidiary Enel Distribución, and the Chilean Institute of Rational Business Administration (ICARE, its Spanish acronym) (CLP\$66,345,014).

The institutional dialogue of the trade associations and business associations in which Enel Chile or any of its subsidiaries participated in 2017 considered the support of regulatory and consultation processes on the following main issues:

- > The development of energy policies: includes perspectives on energy strategy, energy efficiency, growth of renewable energy, development of smart grids, or energy prices, among other energy problems. The contribution made to this issue was CLP\$670,794,474 in 2017.
- > The increase in business competitiveness: includes, but is not limited to, tax, labor, or environmental policies. The contribution made to this issue was CLP\$190,001,917 in 2017.



The following data show the participation in various associations by each company:

Enel Chile

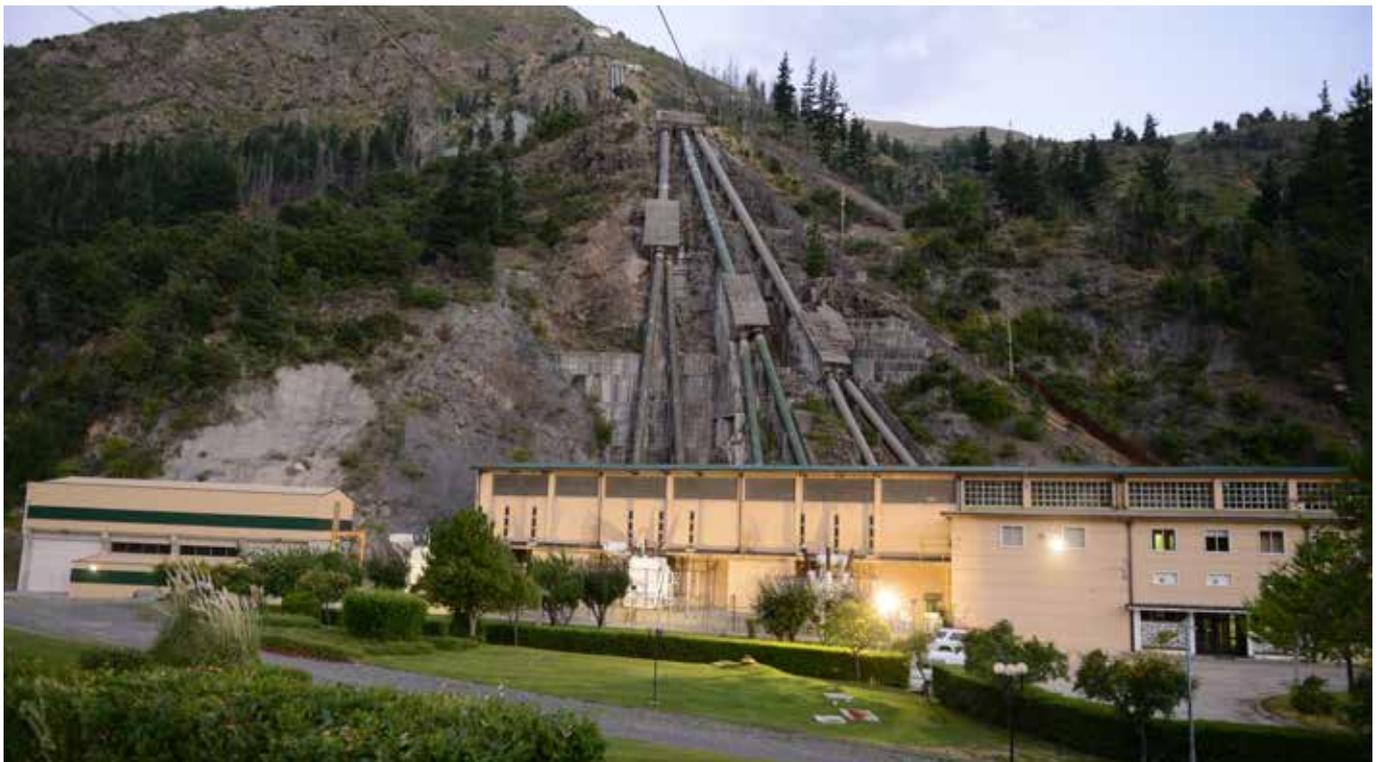
- > Centro de Estudios Públicos (CEP)
- > Chile Transparente
- > Acción Empresas
- > Instituto Chileno de Administración Racional de Empresas (ICARE)
- > CLG-CHILE Grupo de Líderes Empresariales contra el Cambio Climático

Enel Distribución Chile

- > Empresas Eléctricas A.G.
- > Centro de Innovación UC
- > Pacto Global Red Chile
- > Sociedad de Fomento Fabril (SOFOFA)

Enel Generación Chile

- > Asociación de Empresas de la Quinta Región (ASIVA)
- > Asociación de Industriales del Centro Región del Maule (ASICENT)
- > Asociación Gremial de Generadoras (AGG)
- > Cámara de la Producción y del Comercio de Concepción (CPCC)
- > Comité Chileno del Consejo Internacional de Grandes Redes Eléctricas (CIGRE)
- > Comité Chileno del Consejo Mundial de la Energía (WEC-Chile)
- > Corporación del Desarrollo de las Comunidades de Puchuncaví y Quintero
- > Pacto Global Red Chile
- > ICOLD- Comité Nacional Chileno de Grandes Presas
- > Instituto de Ingenieros de Chile (IING)
- > International Hydropower Association (IHA)
- > Junta de Adelanto del Maule (JAM)
- > Sociedad de Fomento Fabril (SOFOFA)





II. Materiality Analysis

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Enel Chile puts stakeholders at the center of its business strategy. Through the elaboration of materiality matrices, the company incorporates the most relevant issues for stakeholders into their business goals, in order to define strategies based on shared objectives and priorities.

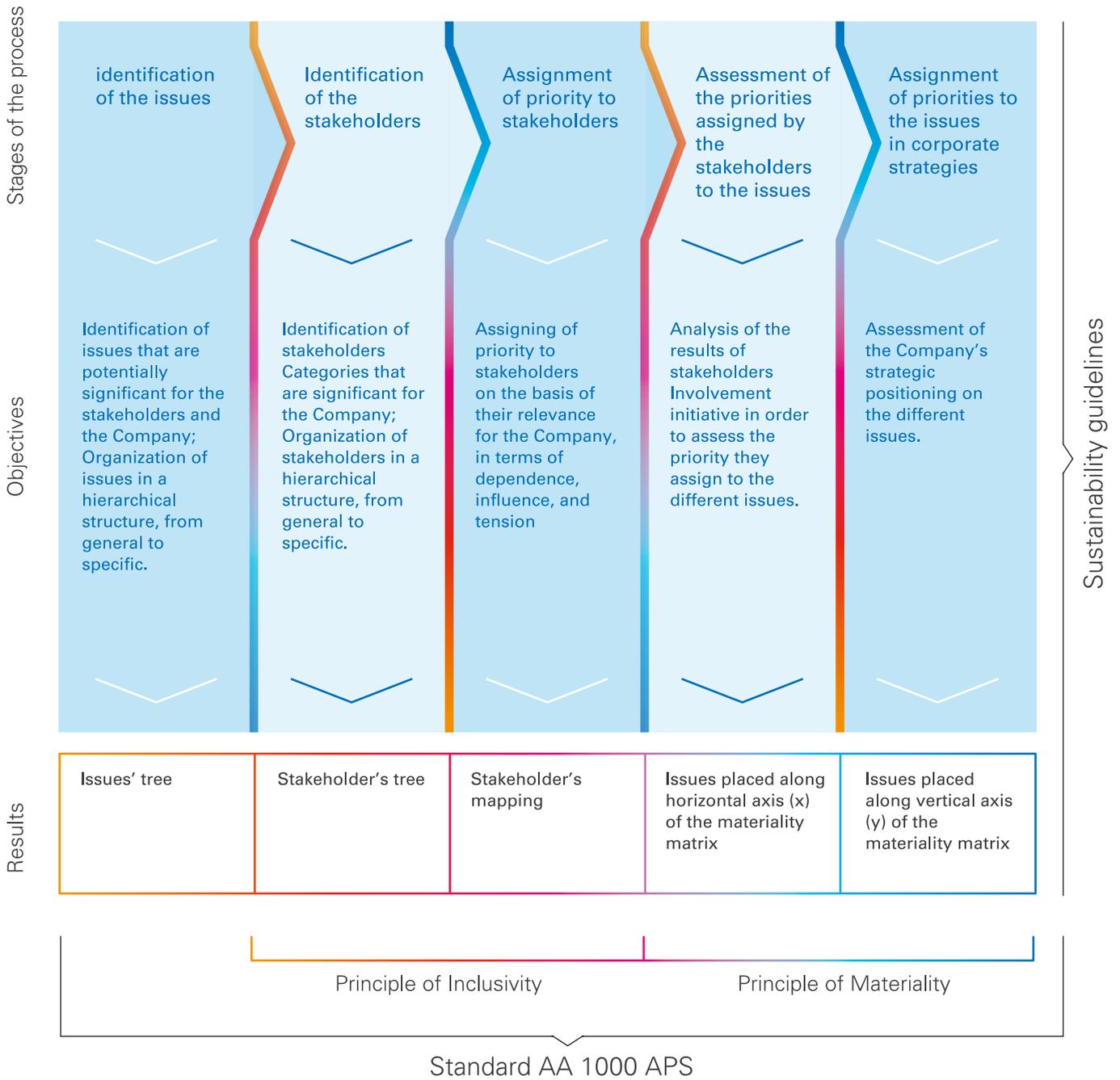
Materiality is defined according to the guidelines of the Global Reporting Initiative (GRI) Sustainability Reporting Guide, specifically in the New GRI Standards. It also reflects the Progress Communication (COP) of the United Nations Global Compact, the IIRC (International Integrated Reporting Council) model, and the SDG Compass, a guide that facilitates adapting sustainability strategies to the Sustainable Development Goals of the United Nations.

When preparing the materiality analysis, primary and secondary sources were reviewed, in order to gather the opinion of the stakeholders, the issues relevant to the industry during the reporting year, and the Enel Group's priorities for action.

The company has an information platform specially developed by the Enel Group, which allows it to store and analyze data globally, by country and by company.

The first part of the materiality definition process is carried out during the first semester of the year and is reviewed in the second semester, with the goal of updating it according to the contingencies that occurred during the year. In 2017, activities included meetings with the company's main executives, analysis of secondary documentation, press coverage, and the company's sustainability context.

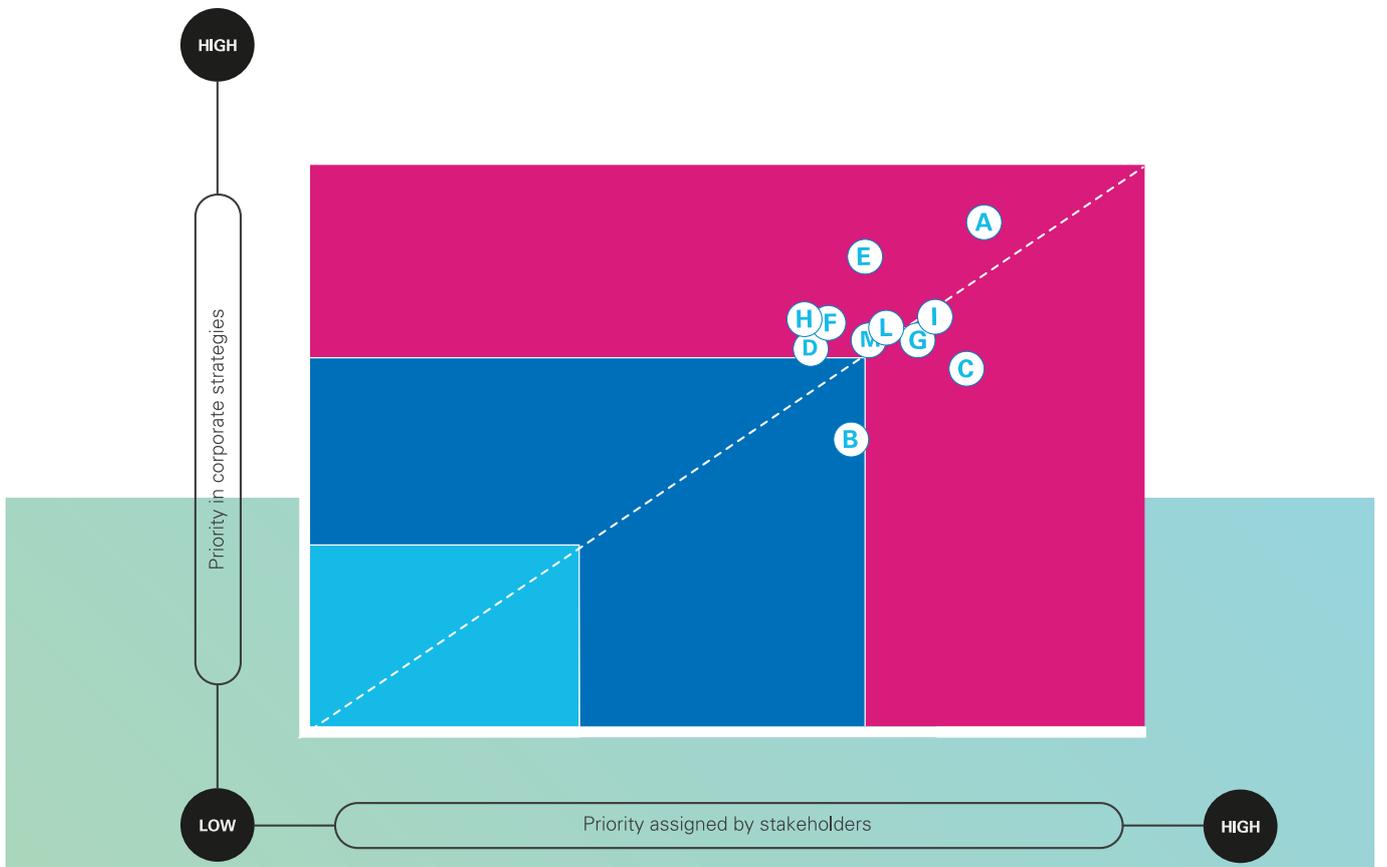
Stages of the Materiality Analysis



Material Issues

Denomination of the internal topic/issue	Scope	Material aspect GRI
Creation of economic and financial value	Enel Chile	Economic performance
	Enel Chile	Indirect economic impacts
Relations with local communities	Enel Chile	Local communities
	Enel Chile	Access
	Enel Chile	Disasters, emergency plans
	Enel Chile	Health and security of customers
	Enel Chile	Materials
Environmental management and compliance	Enel Chile	Energy
	Enel Chile and contractors	Emissions
	Enel Chile and contractors	Effluents and waste
Operational Efficiency	Enel Chile	Research and development
	Enel Chile	System Efficiency
Focus on consumers	Enel Chile	Labeling of products and services
	Enel Chile	Provision of information
Management, development and motivation of employees	Enel Chile	Employment
	Enel Chile	Training and education
	Enel Chile	Diversity and equality of opportunities
	Enel Chile	Digitization and new solutions
Health and occupational security	Enel Chile and contractors	Health and security of work
Energy mix decarbonization	Enel Generación	Availability and reliability
Sustainable value chain	Enel Chile and contractors	Evaluation of labor practices of suppliers
	Enel Chile	Fight against corruption
Fair corporate behavior	Enel Chile	Public policy
	Enel Chile	Ethics and integrity
	Enel Chile	Governance

ENEL CHILE
MATERIALITY MATRIX



BUSINESS AND GOVERNANCE ISSUES

- A Operational efficiency
- B Decarbonization of the energy mix
- C Customer focus
- D New technologies, services and digitalization
- E Sound governance and fair corporate conduct
- F Economic and financial value creation



SOCIAL ISSUES

- G Engaging local communities
- H People management, development and motivation
- I Occupational health and safety
- L Sustainable supply chain



ENVIRONMENTAL ISSUES

- B Decarbonization of the energy mix
- M Environmental compliance and management

The materiality matrix represents the priority topics for stakeholders on the “x-axis,” identified with the group’s materiality matrix, while the “y-axis” represents the material or relevant aspects for complying with the strategic objectives of the company.

03

Sustainability Plan





I. Sustainable Business Model

For Enel Chile, sustainability is the articulating axis of its business model. This is reflected in the annual Sustainability Plan integrating environmental, social and governance issues into the industrial plan, according to the international guidelines for sustainability and Human Rights.

The company actively involves stakeholders early on in the design, development, construction, and operation processes of

the company's projects. Thus, it guarantees symmetry in dialogue and access to information.

Enel Chile's sustainability model foresees stakeholders participating in defining the Sustainability Plan and in decision-making regarding solutions related to company projects.

It also aims to create shared value and generate new business opportunities.

Through its sustainability strategy, Enel Chile contributes in a concrete way to sustainable development, responding to the commitments to the Sustainable Development Goals and the 10 Principles of the United Nations (UN) Global Compact.

Under Enel Chile's business model, sustainability is integrated into the entire value chain of the company

Creation of Shared Value

The creation of shared value consists of creating innovative business processes and activities by incorporating social and environmental variables in order to achieve social growth in an integral manner.

Therefore, Enel Chile focuses on projects that benefit both the company and the

communities located within its area of influence, fostering mutual development and greater community involvement in the decision-making of the company.

Enel Chile also promotes innovative products, anticipating changes that are a result of society's new demands.

Enel Chile's First Shared Value Projects and Models Contest

Recognizing that implementing the philosophy of shared value requires a cultural change throughout the organization, Enel Chile launched the First Shared Value Projects and Models Contest in 2017, where all collaborators of Enel Chile, Enel Generación, and Enel Distribución were invited to participate.

The contest had a high turnout, with 80 participants from different companies and areas, and 21 projects were presented. In order to apply, participants had to demonstrate the shared value generated by the proposed initiatives and have indicators to measure the expected impacts.

Through a careful evaluation by a committee of managers and the subsequent public vote by company collaborators, three winning projects were selected, to be implemented before August 2018.

1st place: Wood Stove Replacement Project in Lampa

This project consists of changing wood stoves for heating and air conditioning (HVAC) equipment, which will improve the thermal comfort of 300 families in the municipality of Lampa. Thus, it contributes to fulfilling the Decontamination Plan of the Metropolitan Region by improving the air quality of the area (avoiding the emission of 948 Ton CO₂ eq. / year). It will also help the company increase sales of electric power and value-added products and services (HVAC equipment). The project is financed by Falabella, as compensation for indirect emissions caused by its logistics operation.

2nd place: Sand Removal Project for Cleaning the Maule Pehuenche Intake

This project proposes to work together with small business owners, neighbors of the Maule Hydraulic Power Plants, in the removal of sand stuck in the Maule Pehuenche intake for commercialization purposes. The project will generate employment and local economic growth. At the same time, it will allow the company to reduce capacity losses at the Maule Pehuenche intake and reduce net height at the Loma Alta hydroelectric power station (downstream), which currently contribute to a reduction in generation and therefore an economic loss.

3rd place: Microgrid, a Water Supply and Lighting System

The project aims to provide access to clean and sustainable energy to the community of La Cebada, the key stakeholder for the project "Modification of the Connection of the Talinay Wind Farm," developed by EGP. It proposes constructing a micro network, supplied with a photovoltaic generation system, as well as a storage system based on lithium ion batteries, in order to supply a network of seven water wells and public and domestic lighting. Additionally, implementing a billing system using "blockchain" technology was proposed.

II. Integration of the Sustainable Development Goals (SDG)

SUSTAINABLE DEVELOPMENT GOALS



4 QUALITY EDUCATION

ENEL GROUP'S GOAL
Support educational activities for 400,000 people by 2020 through projects similar to the one in execution, such as the scholarship programs in Latin America.

ENEL CHILE'S GOAL
Enel Chile has set the goal to increase the number of beneficiaries by 50,000 from 2016 figures in the year 2020.

2017 PERFORMANCE | **6,662** beneficiaries

7 AFFORDABLE AND CLEAN ENERGY

ENEL GROUP'S GOAL
Give access to affordable, sustainable, and clean energy through the Enabling Electricity initiative, which will benefit three million people, mainly in Africa, Asia and Latin America.

ENEL CHILE'S GOAL
Enel Chile has set the goal to increase the number of beneficiaries by 70,000 from 2016 figures by 2020.

2017 PERFORMANCE | **26,494** beneficiaries

8 DECENT WORK AND ECONOMIC GROWTH

ENEL GROUP'S GOAL
Foster job creation and sustained economic growth, inclusive and sustainable for 500,000 people.

ENEL CHILE'S GOAL
Enel Chile hopes to increase beneficiaries by 150,000 from 2016 figures by 2020.

2017 PERFORMANCE | **33,490** beneficiaries

13 CLIMATE ACTION

ENEL GROUP'S GOAL
Take initiatives to combat climate change, with the objective of achieving carbon neutrality in 2050.

ENEL CHILE'S GOAL
As part of Grupo Enel, Enel Chile subscribes to the goal established to reduce from ~395 gCO₂/kWeq to <350 gCO₂/kWeq by 2020, and to reach carbon neutral status by 2050.

III. 2017-2019 Sustainability Plan

The Enel Group has defined its sustainability strategy for the period 2017-2019 in response to the current state of the world, which is marked by rapid technological changes. The importance of these technological changes requires that companies become active actors in society, making specific commitments, and Enel Group's Sustainability Plan is the tool that provides guidelines and tangible objectives to realize these commitments.

Thus, based on general guidelines, each Group company develops a specific plan, defined according to the materiality matrix for its country. This ensures that the plan responds to the interests and prior-

ities of the Group as a whole, as well as those of stakeholders at the local level.

Enel Chile 2017 – 2019 Sustainability Plan is structured around five areas: occupational health and safety, sound governance, environmental sustainability, a sustainable supply chain, and the generation of economic and financial value.

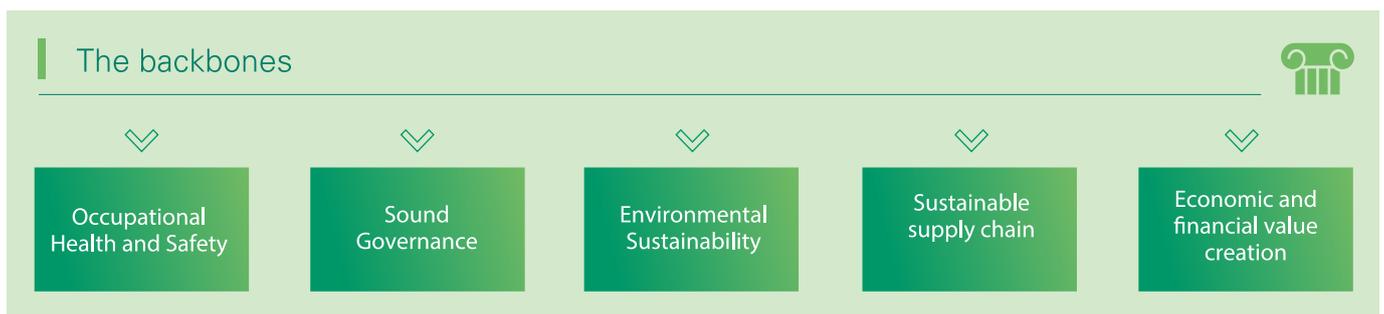
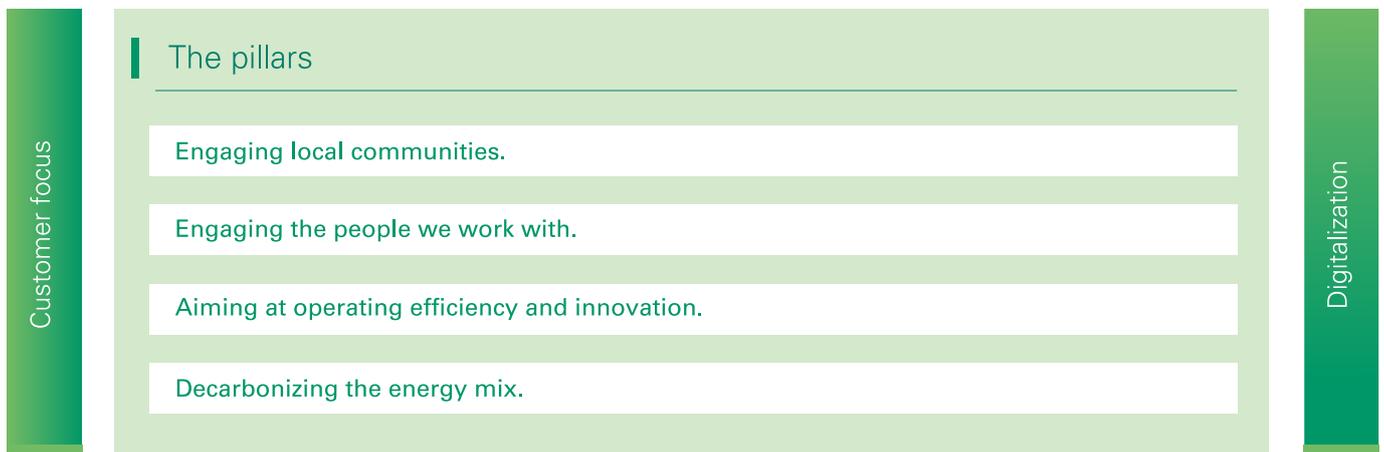
The following are incorporated into the strategic pillars defined for 2017:

- > Engaging local communities
- > Engaging the people we work with
- > Aim at operational efficiency and innovation

- > Decarbonization of the energy mix

Across all areas, digitalization is considered an essential element for the realization of the plan and central to the company's business strategy, with a special focus on the customer.

Through a set of management indicators, Sustainability and Community Relations Management monitors the progress and fulfillment of the plan. Then the management and performance in each one of the pillars for the year 2017 is presented.



IV. Generated and Distributed Economic Value

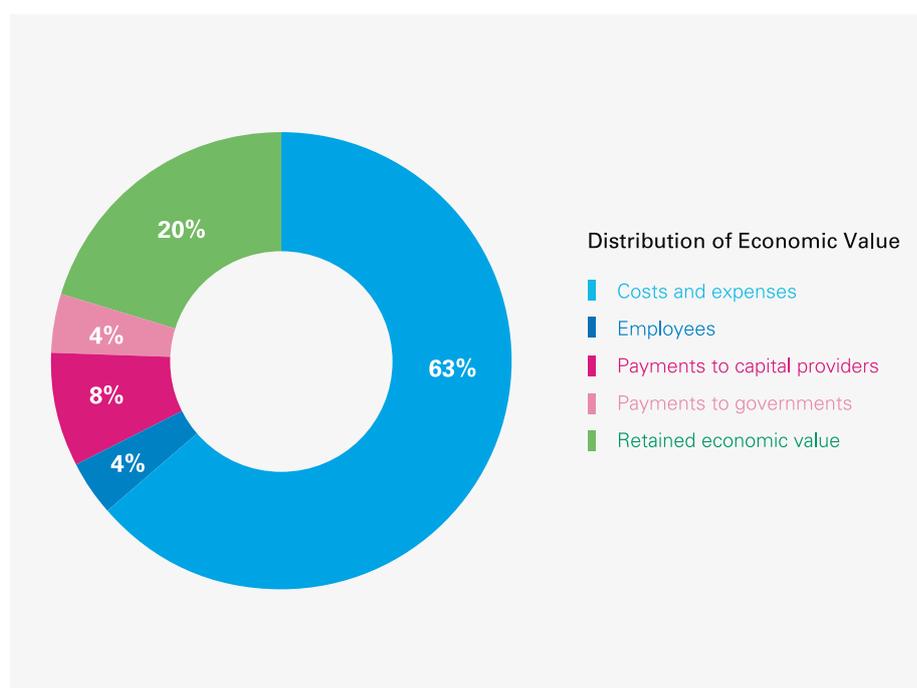
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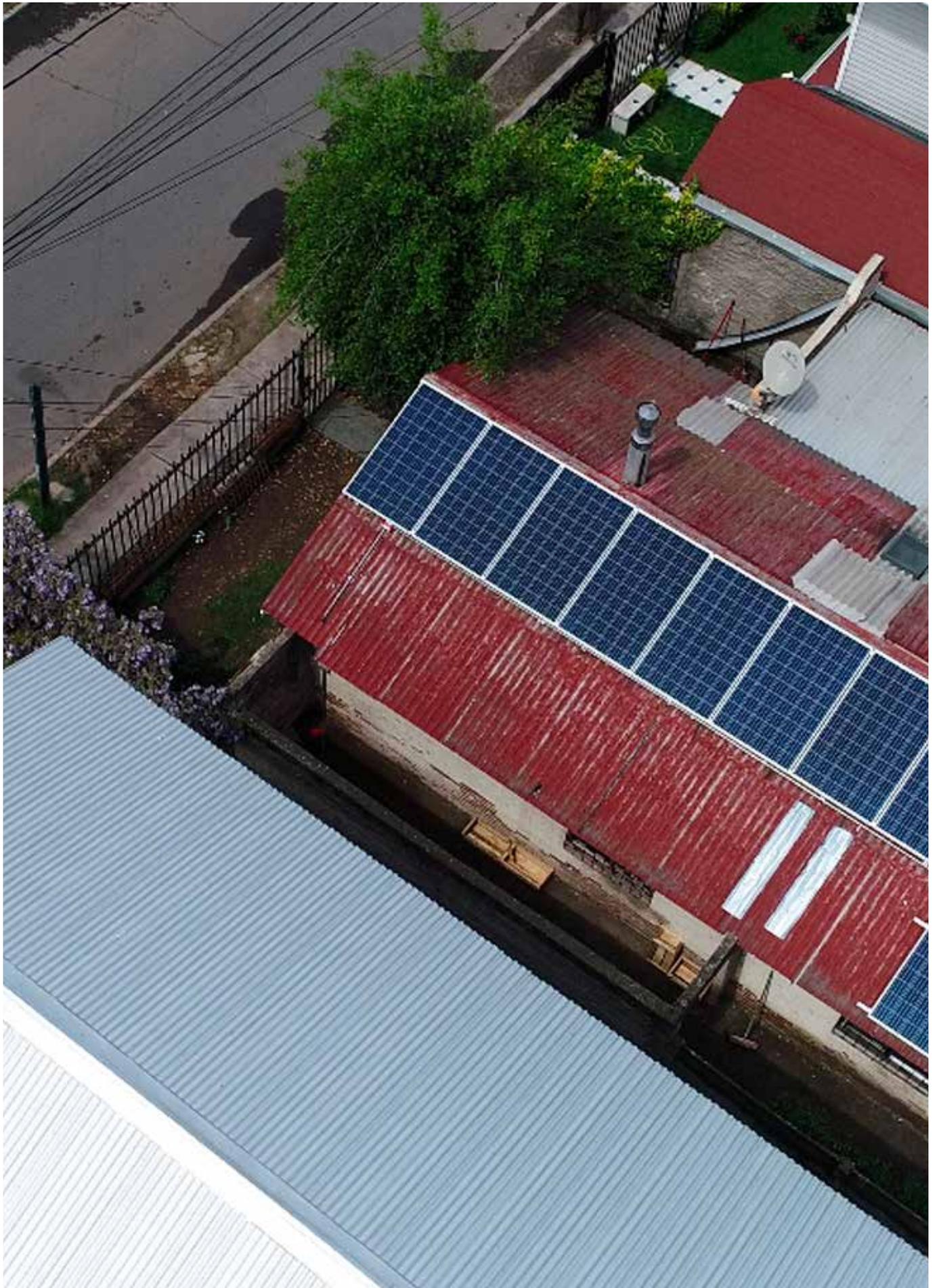
During fiscal year 2017, Enel Chile generated a value of CLP\$2,661,554 million, 45% from distribution and 41% from generation, and also added other revenues from gas sales, among others, comprising the total operational income. The foregoing is complemented by financial income and other minor income for the period.

Regarding the distribution of the value generated by the company to the different stakeholders and areas of operation, the main criteria are the costs and expenses of the period, in which the payments for energy and fuel, which represent 80% of costs and expenses, stand out. However, 12% of the total gener-

ated benefited the providers of capital (dividends to shareholders and financial costs) and 5 per cent was allocated to paying income taxes.

Amounts in millions of pesos		2016		2017	
		M\$	%	M\$	%
Economic Value Generated (EVG)	Revenues	2,285,191,561	100%	2,661,553,858	100%
	Operational	2,112,891,794	92%	2,490,470,178	94%
	Non-operational	172,299,767	8%	171,083,680	6%
Distributed Economic Value (DEV)	Operating costs	1,437,865,851	63%	1,681,483,868	63%
	Salaries and social benefits for employers	95,219,235	4%	107,114,790	4%
	Payments to capital providers	192,047,203	8%	314,313,937	12%
	Financial expenses	49,180,169	2%	53,510,882	2%
	Dividend payments	142,867,034	6%	260,803,055	10%
	Payments to the Government	99,763,798	4%	143,342,301	5%
	Retained Economic Value (REV)	REV= EVG-DEV	460,295,474	20%	415,298,962

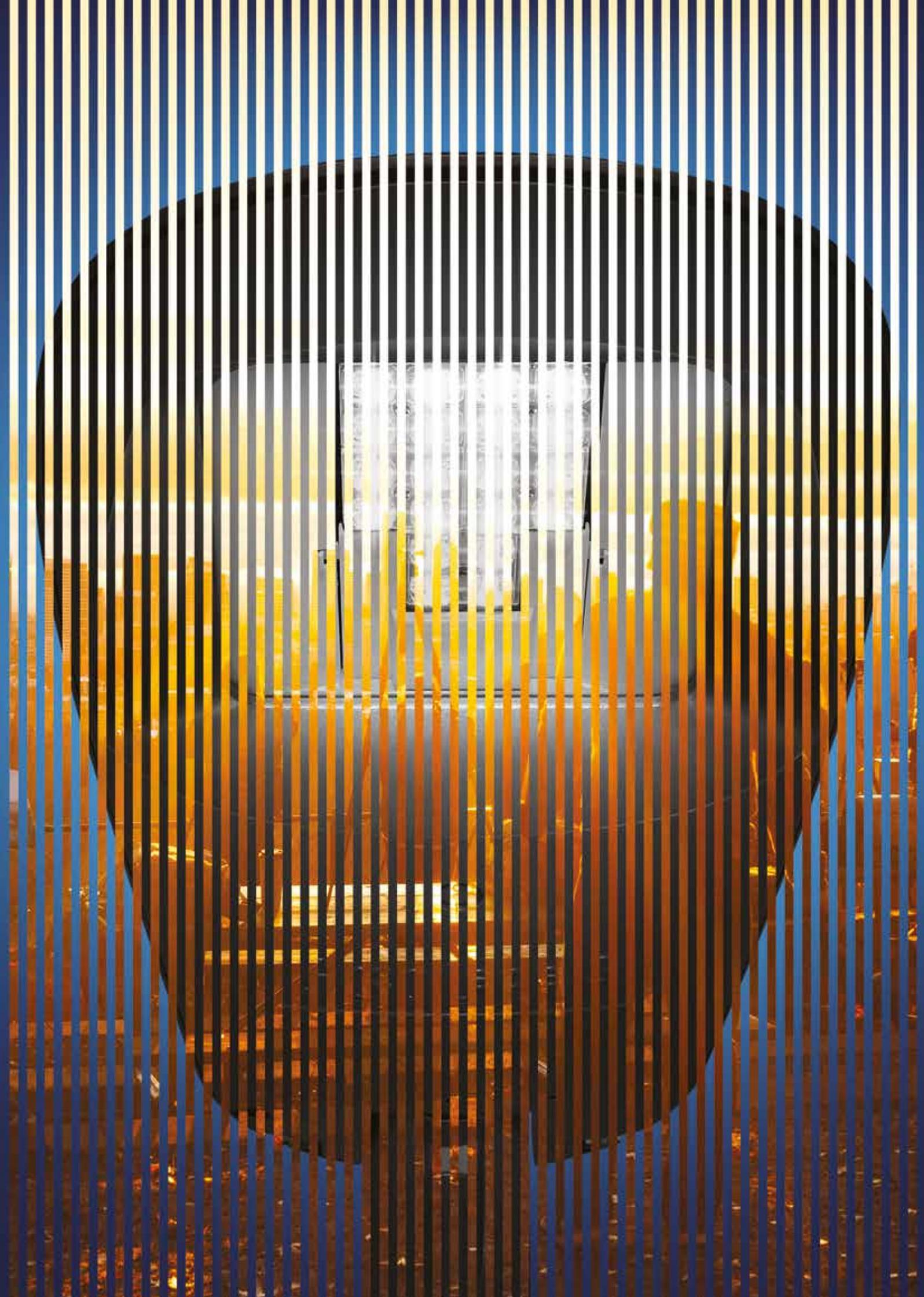






04

Our Performance



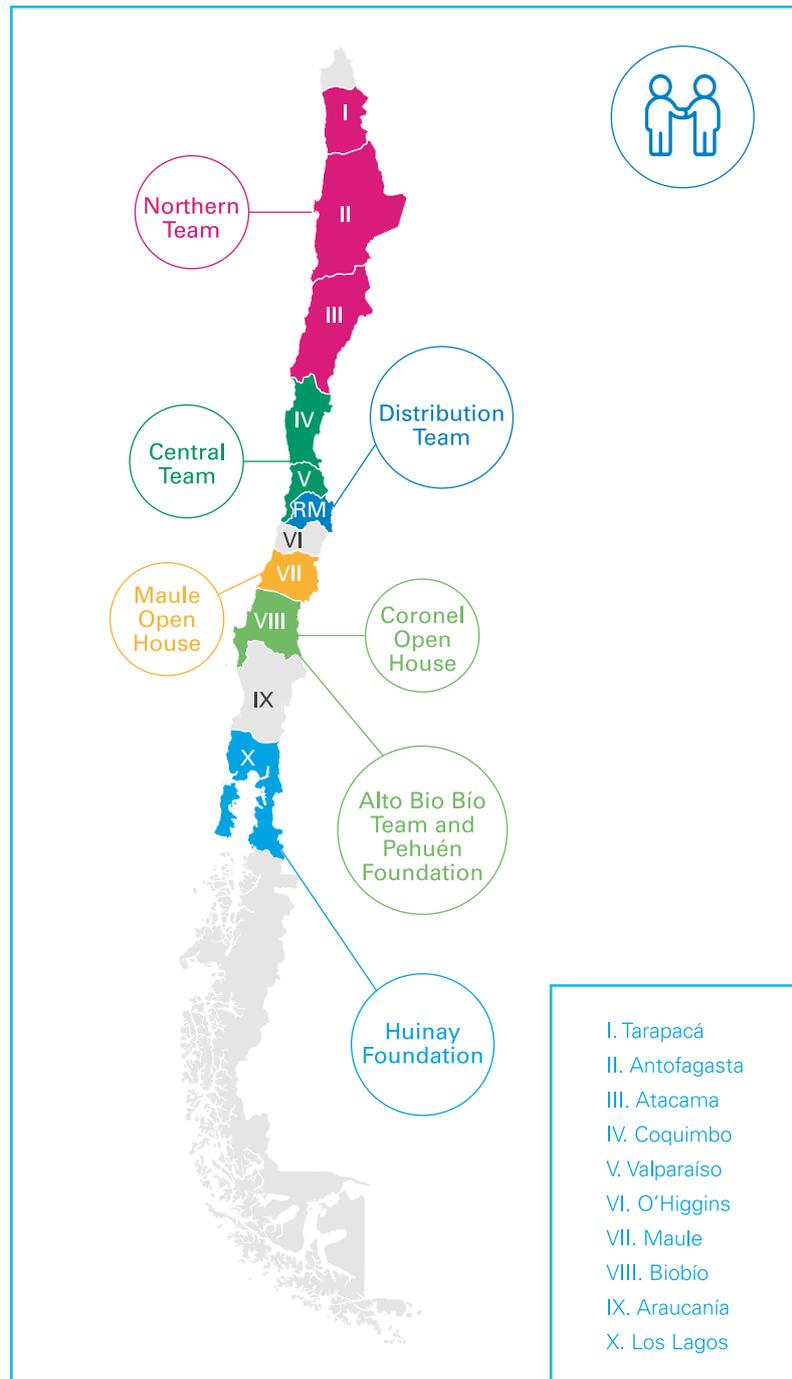
4.1 Engaging Local Communities

Both the Sustainability Policy and the Open Power vision establish clear guidelines for the relationships between Enel Chile and communities. In 2017, the generation and distribution businesses focused on implementing criteria and principles for relationships emphasizing inclusion and participation, where stakeholders are engaged since the design of the project, ensuring equitable access to information and ensuring symmetry in the instances of dialogue.

Enel Chile, through its subsidiary Enel Generación, has a total of 111 facilities, with a presence in 8 regions of the country. Likewise, Enel Distribución supplies energy to 1,852,531 customers in 33 municipalities of the Metropolitan Region. This reflects the size of the company's operations and also the geographical dispersion of its associated stakeholders.

For Enel Chile and its subsidiaries, it is crucial to maintain a constant relationship with all of its stakeholders, which is why it has a territorial team that depends of the Sustainability and Community Relations Management, present in all the areas of influence of Enel Generación and Enel Distribución.

Responsible relationships with Communities



4.1.1 Methodology

Enel Chile's community relations plan is based on continuous monitoring of stakeholders. Every year, an update of the social baselines, as well as a materiality matrix identifying strategic priorities for the areas of influence of all the company's assets is developed. Prioritization of the stakeholders is updated on a regular basis.

Enel uses the Socio-Environmental Impact Assessment (SEIA) as a tool for measuring potential impacts and risks, evaluating the respective mitigating ac-

tions and the value of residual risk for both new projects and modifications of existing projects. The investment committees are informed for their subsequent evaluations through the risk matrix of the project.

From the development stage to the operation phase, tools are implemented to generate and monitor the sustainability of the project.

The Sustainability Plan is the result of analyses carried out with specific tools

that allow for understanding the context, identifying key priorities, risks, impacts, and main actors related to each project, then subsequently correlating them with the company's objectives and defined actions. This procedure is carried out through out the value chain, during the phases of project development, construction, and operation.

At the territorial level, the most relevant issues identified for the stakeholders during the year 2017 were the following:

In the Generation area:

- > The responsible use of water resources, especially in the areas of influence of hydroelectric plants
- > The engagement of stakeholders in monitoring environmental performance in the areas of influence of thermoelectric plants
- > Sustainable socioeconomic development
- > The resolution of historical conflicts

In the Distribution area:

- > Relationships with customers
- > Improvements in the quality of supply
- > A greater presence of sustainability initiatives in neighborhoods
- > Initiatives for vulnerable customers
- > Decontamination initiatives

To address each of these issues, Enel Chile built strategic alliances and worked together with Universities (CITRA of the

Universidad de Talca, CITEC of the Universidad del Biobío, the Pontificia Universidad Católica de Valparaíso, among oth-

ers), various NGOs (Casa de la Paz and Sembra, among others), and start-ups.

4.1.2 Community Relations Plan Performance

Generation:

The Responsible use of Water Resources

IMPROVING WATER MANAGEMENT THROUGH EFFICIENT WATER USE IN THE SAN CLEMENTE DISTRICT



LOCATION: San Clemente District, Maule Region

LINE OF BUSINESS: Hydropower generation

ASSET: Hydroelectric power stations, Maule

ASSET: 882MW installed and 150MW under construction

BENEFICIARIES:
Prodesal farmers
Indap farmers
Water Communities
Agricultural Technician students from the San Clemente Entre Ríos High School.

CREATING SHARED VALUE

Context

In recent years, the agricultural sector in the Maule region has been adversely affected by climate change. Changes in precipitation patterns and in the ability of snow to accumulate has decreased the water reserves available to supply crops during the growing season.

Alternative methodologies for optimizing irrigation have been studied to deal with this situation so that farmers can adapt in the face of resource shortages, taking into account the water demands of crops at the farm, sector, valley and basin levels.

Project

In 2015-2016, efficient irrigation training activities were developed, and an agroclimatic network based on information obtained from three meteorological stations was established. A demonstrative irrigation plot was also set up at the San Clemente Entre Ríos High School. These activities took place under the framework of the Irrigation Cooperation Agreement between the Municipality of San Clemente, Enel Generación and the University of Talca, and were carried out by CITRA (Centre for Investigations and Transfer in Irrigation and Agroclimatology).

The second phase of the project was carried out in 2017 and included the following, based on lessons learned during the first phase:

- Establishing a water-use balance and analyzing water resource distribution in order to develop strategic solutions.
- Implementing a water management technology transfer program for approximately 300 farmers, including courses and field days.
- Extending the meteorological station network with solar panels to provide agroclimatic information in order to make irrigation decisions.
- Promoting the Butterflies Irrigation Demonstration Plot, powered by solar energy, as a center for the dissemination of irrigation techniques, and fostering the development of future farm technicians at the San Clemente Entre Ríos High School.

Project Impact

The demonstrative irrigation modules for water management included a trial of particular crops for commercial purposes, the allotment of a demonstration farm area where irrigation control features were installed, and the implementation of planning strategies based on agroclimatic information obtained from automatic weather stations. Since the beginning of this initiative, the following results were achieved:

- A 26% reduction in the volume of water applied to sunflower seedbeds, and 31% to corn seedbeds.
- A 19% yield increase in sunflowers, and an 8.8% yield increase in corn.
- Furrow irrigation efficiency of 61% achieved for corn, and 63% for sunflowers.

In addition to the positive results achieved in efficient water use and crop yields, the San Clemente Entre Ríos High School highlighted that the incorporation of new technologies and irrigation techniques to the curriculum has increased their competitiveness, as reflected in the significant increase in enrollments at the school.

Engaging Stakeholders: Monitoring Environmental Performance in the Areas of Influence of Thermoelectric Power Plants



Air Committee in Taltal

This committee seeks to establish a long-term relationship between Taltal thermoelectric power plant and the community of Caleta Paposo, 2 km south of the of the plant. This initiative is the result of a working table with the community and intends to respond to their concerns about the environmental performance of the Taltal thermoelectric plant. The committee includes company person-

nel (environment, communications and sustainability), community leaders and representatives of the local universities. The committee aims at sharing relevant information from the air quality monitoring station, located in the areas primary school, promptly and transparently.

Community leaders have been trained in environmental issues, allowing them to interpret the information and data provided by the station's informative panels.

The project seeks to involve the community in the emission measurement process so that they can inform the Taltal plant.

In 2017, a technical proposal for a workshop on environmental issues for 15 people at Universidad Católica del Norte was delivered.

Visit to the Bocamina Power Plant by CRAS

During the month of June 2017, the executives of the Environmental and Social Recovery Commission (CRAS, in Spanish) made their first visit to the Bocamina thermoelectric complex. The delegation was able to verify the important environmental improvements made at the plant, an investment that exceeds 200 million dollars in total. Among the investment projects is the construction of the new

dome, an innovative roofing structure that covers the northern coal storage area. The second dome is planned for 2018. Other improvements presented during the course of the visit included:

- > Atmospheric impact mitigation: sleeve filters in the two Bocamina I and Bocamina II units, SDA and FGD system installations, optimization of the NOx

reduction system;

- > Mitigation of impact generated by noise: 88 mitigation measures implemented
- > Mitigation of impact on the marine environment: Johnson filters to minimize the entrance of organisms into the cooling system
- > Comprehensive monitoring system: measures 87 parameters in 90 monitoring points.



Sustainable Socioeconomic Development

THE MANAGEMENT, PRODUCTION, PROCESSING AND SALE OF CHILEAN HAZELNUTS IN THE ALTO BIOBÍO REGION



LOCATION: Alto Biobío Region

LINE OF BUSINESS: Hydropower generation

ASSET: Pangué hydroelectric power station

BENEFICIARIES:
20 families from the El Avellano Community

ALLIES:
FIA
University of Concepción
Enel
Municipality of Alto Biobío

SOCIO-ECONOMIC DEVELOPMENT

Context

In December 2017, the community of El Avellano - one of the twelve in the Alto Biobío sector - inaugurated its intercultural agribusiness plant. At this plant, products derived from Chilean hazelnut – the community's main economic support – are produced, allowing the community to directly access final consumer markets.

This project successfully elevated a local and ancestral activity to commercial scale, creating an important opportunity for economic growth for the twenty families that are currently involved in its development.

The project

In its first stage, 15 people from the community were trained in food-handling and the production of hazelnut sub-products at the Centro de Desarrollo Tecnológico Agroindustrial (CDTA) [Center for Agroindustrial Technological Development], a branch of the University of Concepción (UDEC). At the beginning of 2017, the community members, assisted by the Pehuén Foundation and CONAF, undertook forestry management of the hazelnut forest, and closed the perimeter of the protected area. At the same time, through social dialogue, Enel's Sustainability and Community Relations team collaborated in the initiative proposed by the community to acquire the complete processing line for the production of toasted hazelnuts, toasted hazelnut flour, and hazelnut coffee. The following items were purchased: a boiler drum, a boiler grill, an electric hoist for the drums, a separator and selector for Chilean hazelnuts, a set of manual sieves, a toaster and a stone grinder. Training was also provided in their respective uses.

In 2017, the project applied to the Fondo de Innovación Agraria (FIA) [Agricultural Innovation Fund] for valuing forestry and agro-food heritage. The goal of the application is to finance the fitting-out of the processing room, and create business plan to sell the hazelnuts in accordance with health regulations, thus gaining access to all markets. The project was finally approved, with the association of entities such as FIA, CDTA, ENEL, Pehuén Foundation, the Municipality of Alto Biobío, and the community of El Avellano itself.

According to FIA's Executive Director, María José Etchegaray, "This initiative is one of those that we define as "virtuous." Why are they virtuous? Because they create a model for articulating organizations and institutions from very different worlds and with very different world views, such as private enterprise, academia, and indigenous communities. These are transformed into links of a chain that come together through knowledge transfer, that is, through the enrichment of all actors thanks to this partnership. It is an innovative model that can be easily replicated, not just at a national level, but internationally."

Results and impact

- Training 15 people in "Food-handling, producing and selling food products in the area"
- The sale price of processed hazelnut-derived products is expected to rise to between 5 to 8 times more than the price of the unprocessed product.
- Significant income increase potential for producers.

THE CIRCULAR ECONOMY EXPERIENCE IN CORONEL



LOCATION: Coronel District, Bío Bío Region

LINE OF BUSINESS: Geothermal power generation

ASSET: Bocamina Plant

CAPACITY: 2 units with a total capacity of 478 MW

BENEFICIARIES:
Cerro Obligado community
Eco-builders

CREATING SHARED VALUE

Context

During 2017, Enel fostered innovative initiatives for local economic development based on the circular economy approach. Committed to the objective of reconstructing the relationship between the company and the Coronel community (a district within the area of influence of the Bocamina thermoelectric plant), Enel Generación proposed an innovative and sustainable vision of local development to the communities.

Aligned with its mission to open up new experiences and technologies, Enel Generación presented the eco-construction project to the community, bearing in mind the waste materials produced by various industries present in the area, which could be reused for eco-furniture and eco-construction. This immediate applicability motivated the community of Cerro Obligado to get involved, especially the women of the town.

Project

In partnership with the NGO Sembra, Enel Chile provided new skills to the women of the communities surrounding its installations, training them in eco-construction and eco-furniture making. In Coronel, the area where the Bocamina I and Bocamina II thermoelectric plants operate, four women from the Cerro Obligado community have participated in a training program at the Sembra branch located in Nogales, in the fifth region of Chile. For one month, the four women were guests of the Training Center, where they learned how to construct furniture and houses with recycled materials, additionally learning new techniques to use natural materials native to the area. The four women currently work in their own workshop in Coronel, where they reuse waste materials from various industries in the area. In accordance with Enel Generación Chile's commitments to the Cerro Obligado community, the women will construct the new community center in collaboration with the Sembra in 2018.

Project Impact

- 4 women trained in eco-construction and eco-furniture making, operating their own workshop, amounting to more than 4,000 hours of work.
- 17,090 kilograms of wooden pallets have been received, approximately equivalent to 855 pallets.
- Over 6 months of work, 601 pieces of eco-furniture have been produced from 742 pallets, corresponding to 15,090 kilograms and 100 kilograms of fallen tree wood.

"The circular economy is an economic concept that is interconnected with sustainability. Its objective is to maintain the value of products, materials and resources (water, energy, etc.) in the market for as long as possible, while reducing the production of waste materials to a minimum. It is about implementing a new economy, circular and non-linear, based on the idea of "closing the lifecycle" of products, services, waste, materials, water and energy." – Fundación Economía Circular [Circular Economy Foundation].

Resolution of Historical Conflicts

Alto Bío Bío – Conflicts Related to the Ralco Hydroelectric Plant

February 3, 2017: Enel Generación Chile and 24 families of the Aukiñ Wallmapu community signed an agreement regarding impacts generated by the 2001 flooding of the Pehuenche cemetery, called Site 53. The agreement was signed jointly by the leaders representing the affected families and witnesses of faith, the

Archbishop of Concepción, the Provincial Governor of Alto Bío Bío, and the Mayor of the Municipality of Alto Bío Bío.

June 28, 2017: Enel Generación Chile and leaders representing the Quepuca Ralco and El Avellano communities signed an agreement regarding impacts

from the construction of the Ralco hydroelectric plant. After the signing of the agreement, a development desk was set up, focused on fostering initiatives that allow the community to grow and develop according to their aspirations and ambitions.

Bocamina II

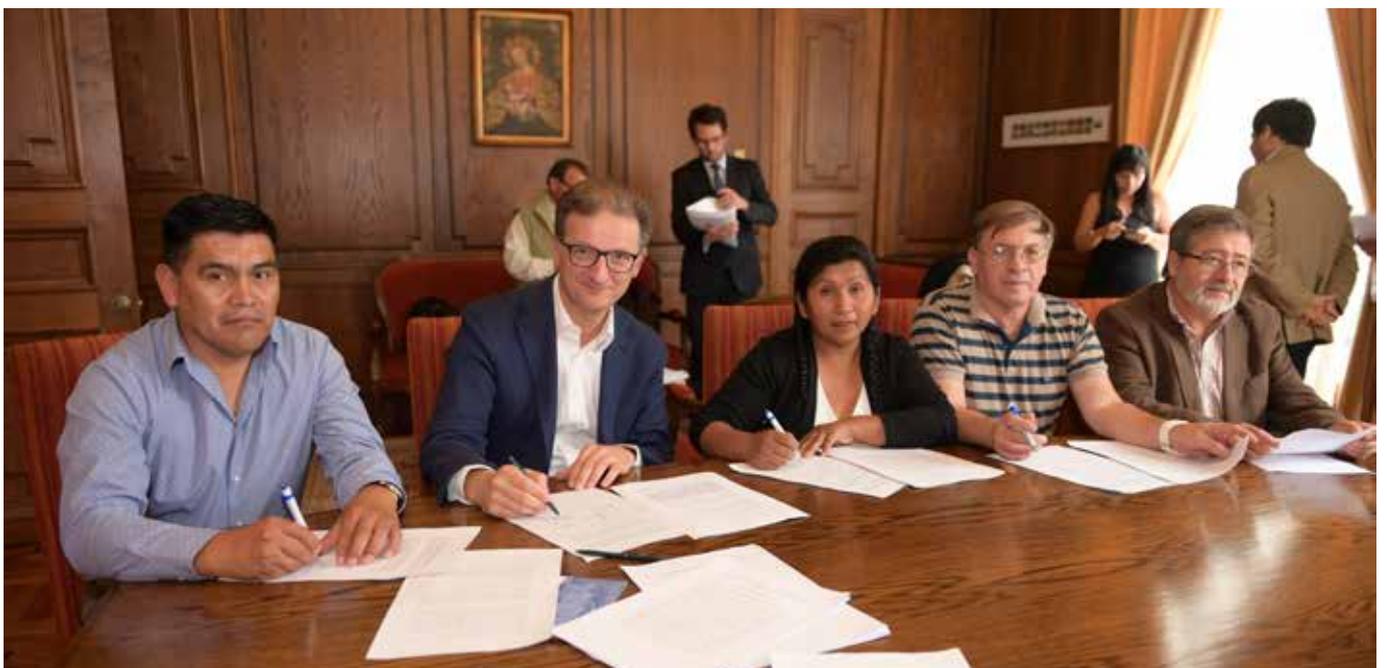
May 26, 2017: Enel Generación Chile and the Huertos Familiares Neighbors' Board, a community relocated in 2010, signed a memorandum of understanding. The agreement establishes a methodology for participatory work to detect and solve impacts from the delivery of housing with construction defects. Likewise, it plans to diagnose and remedy negative effects on their quality of life caused by the deficient conditions of

the houses, based on a jointly-developed methodology.

September 13, 2017: Enel Generación Chile and the families of the Huertos Familiares Neighbors' Board signed an agreement in relation to compensation for the socioeconomic impacts associated with the years of residing in homes with construction flaws.

December 13, 2017: Enel Generación

Chile and the families of the Doña Isidora Neighbors' Board, a community relocated after the construction of the Bocamina II plant signed an agreement establishing compensation for socioeconomic impacts from the delivery of deficient housing, and the implementation of a participatory methodology for the community to develop a diagnosis for home repairs.



Distribution

During 2017, the Distribution business was affected by severe and extraordinary climatic events that affected a large number of customers. The company put in action all available resources and aimed at improving customer service tools, expanding service channels, specially to the most vulnerable customers such as people whose lives depend on electricity supply. For these customers, a specific emergency channel has been established, online and offline, and a specialized service registration system has been established as well. Regarding emergency measures for these customers, priority attention is foreseen, which involves the temporary installation of a generator in their home, if needed. Additionally, a pilot plan of photovoltaic supplies is also being tested with two electro-dependent customers.

Customer's Relationships

Our distribution business strategy is based on focusing on the customer, which is why Enel Chile has an exclusively dedicated team with a permanent presence in the coverage area of its subsidiary, Enel Distribución.

In addition to attending consultations, claims and emergencies, the team cre-

ates and strengthens community relations through the development of educational, recreational, and community projects that encourage responsible and sustainable use and energy consumption.

Simultaneously, facing the new reality of the energy world, the company recognizes digitization and innovation as crucial fa-

cilitators for a transition towards self-management of energy by our customers.

These initiatives are part of the "Enel in Your Neighborhood" project, a program that connects the company and customers in initiatives developed in the different municipalities of the Enel Distribución service area.

Improvements in the Quality of Supply



Intelligent Networks

Enel Distribución continued with its Intelligent Networks Plan in 2017, which seeks to incorporate new technologies into the electrical infrastructure, developing tools to strengthen the quality of the energy supply and improve customer satisfaction. This includes the integration of new technologies into the network, communications, and information systems equipment. In 2017, the main projects developed were the following:

Telecontrol

Regarding quality of supply, the company automated the medium-voltage network, incorporating 320 new pieces of telecontrol (remote control) equipment,

together with performing the necessary network adjustments, in an accelerated work plan that concentrated in one year the normal activity of six years. This measure increased telecontrol equipment to 1,500, operable from the Network Operation Center. At the same time, the integration, consolidation, and unification of the ground teams' operation towards the new SCADA STM platform (a medium-voltage remote control system) were carried out through the digitization of all the feeders on this new platform.

With regard to the telecommunications infrastructure, the operational capacity (coverage and availability) was reinforced by increasing bases of the DMR platform radio (Digital Mobile Radio) from 3 to 5,

and the implementation of the last stage of upgrading the communication devices installed in the remote control equipment to 3G or radio DMR. The monitoring of 3G (ATLAS) and DMR (shiny Server) links was also strengthened.

Smart Meters Project

In the course of 2017, Enel Distribución installed more than 45,000 smart meters, which benefits more than 180,000 people from 15 municipalities in the Metropolitan Region. The project was made viable through its socialization, via the presentation and information about the scope and benefits of the replacement of meters to different stakeholders.

Greater Presence of Sustainability Initiatives in Neighborhoods



Enel's Mobile Office

Aware of the problems in certain communities for travelling to Enel's payment centers, the mobile office provides customer service for bill payments, questions, or handling related problems. Thus,

our customers can manage their electric bills without having to travel great distances. The mobile office offers service throughout the year in the municipalities of Quilicura, Lampa, Peñalolén, Maipú,

and Huechuraba. In 2017, more than 21,000 customers were catered to by mobile offices.

Workshops for Institutions

This year, 239 firefighters, policemen and different municipal workers were trained by the company so they can perform their tasks in a coordinated and efficient manner in the event of contingencies af-

fecting the electricity supply. The courses were taught by Enel professionals, who provided knowledge about the characteristics and operation of high-, medium-, and low-voltage electrical distribu-

tion networks (air and underground). The training included the subjects of Electric Risk Prevention and Energy Theft.

The Enel Cup

The Enel Cup is an emblematic activity of the company. It is a five-a-side soccer championship, for girls and boys up to 13 and 15 years old respectively and living

in the municipalities within the company's service areas. The goal of the tournament is recovering public spaces and promoting sports and healthy living for

young people. The competition benefited 5,670 young people in 2017.

Enel Park

In order to provide a space for recreation, entertainment, and wellness in different districts of the Metropolitan Region, and inaugurating free summer recreational activities for Santiago, Enel Distribución Chile created "Parque Enel" (Enel Park), as an alternative for families who are un-

able to leave the capital during their holidays.

Enel Park features various activities, such as water slides and water games, rest areas, first aid stations, hydration stations, supervisors, and a leisure area, which

has different craft workshops for parents and children.

This recreational program provides the possibility for people of different economic backgrounds to have a vacation.



Initiatives for Vulnerable Customers

Renewable Energy to Decrease Vulnerability Levels.

SOLAR ENERGY PROJECT FOR ELECTRO-DEPENDENT CLIENTS



LOCATION: Metropolitan Region

LINE OF BUSINESS: Distribution

BENEFICIARIES:
2 electro-dependent clients

CREATING SHARED VALUE

Context

Since 2012, Enel Distribución Chile has kept a register of electro-dependent clients within the concessions area of the company. The company provides assistance to the clients, primarily through the following voluntary mechanisms:

- Not cutting power supply to any house where there is an electro-dependent person because of debt
- Increasing the consumption limit to 1000 or 1500 KWh per month during winter, with the purpose of avoiding bill increases for additional KWh used. (During winter, clients who exceed a consumption of 350KWh per month pay an additional amount of \$147.12 pesos per KWh consumed).

The company identified that a large number of clients who are dependent on electricity recorded late payments of their electricity bills, predominantly caused by the overconsumption of energy. By analyzing the economic situations of these clients, the Sustainability and Community Relations team committed to finding solutions to improve the payment situations of electro-dependent clients.

The project

Between July and September 2017, Enel Distribución implemented 2 photovoltaic energy pilot projects for electro-dependent clients with limited resources, installing photovoltaic generation systems in one house in Maipú and another in Santiago Centro. The photovoltaic installation turned the client into a small energy producer, creating a balance between energy consumed, energy produced and energy sold into the grid, which in turn reduced its electricity costs. Analysis and monitoring of one of the pilot projects, a 49% reduction in the electricity bill was quantified, compared to the same month in 2016. In both cases, the project includes a battery system so that, in the case of eventual problems in the supply network, vital electrical devices remain temporarily supplied. The pilot clients of this project are now able to pay their electricity bills, and their debt is no longer increasing; on the contrary, they are partially repaying it.

In December 2017, the Minister of Energy and Empresas Distribuidoras de Electricidad [Electricity Distribution Companies] signed a commitment to ensure the health of electro-dependent patients. The initiative proposes energy consumption discounts for the use of medical equipment and backup support in case of prolonged power cuts.

The discount amounts to 50KWh/month or 5,500 pesos, and will be applied to the electricity bills of residential clients with electro-dependent patients. Companies have committed not to suspend power supply in case of debt.

Results and impact

- 49% saving in electricity bills compared to the equivalent billing month in 2016.
- Making bill payments easier.
- Debts no longer increasing, and at the same time, benefiting the company.
- Ensuring power supply in case of blackouts.

Decontamination Initiatives

CREATING SHARED VALUE

REPLACEMENT OF WOOD STOVES WITH ELECTRIC STOVES IN THE LAMPA DISTRICT



LOCATION: Lampa District

LINE OF BUSINESS: Market

BENEFICIARIES:

313 families from the Lampa District
Municipality of Lampa
MMA

ALLIES:

MMA
Municipality of Lampa
SOFOFA
Lampa neighbourhood group
Falabella
Gerdau Aza

Polluted skies in the Metropolitan Region

The Minister for the Environment, through the Atmospheric Decontamination Plan for 2014-2018, declared atmospheric contamination as one of the major challenges that we face. According to the document, close to 10 million people in the country are exposed to an average annual concentration of particulate matter (PM 2.5) above regulations. The situation becomes more serious during the winter months as a result of the use of combustible firewood for heating. The geographic characteristics of the capital add to the problem, as the hills and mountain range do not allow adequate air ventilation. The need to modernize heating sources is reinforced by the urgency of the situation. For this reason, the Atmospheric Decontamination Plan for 2014-2018 - a national strategy to which Enel Distribución contributed - envisages, among other things, a “sustainable home heating” strategy, which includes the replacement of wood stoves with cleaner heating devices.

The project: a partnership to reduce emissions

Enel teamed up with Falabella, one of the major retail chains in Chile, to replace wood stoves in 313 homes in the Lampa District with air conditioning and electrical heating devices. This project seeks to reduce CO₂eq emissions by 711 tons/year. To carry out the replacements, local businesses were trained under Enel’s safety standards, including safety briefings and site inspections.

Results and impact

- 313 presentations focused on the proper use of devices to ensure efficient energy consumption.
- Improvement in the thermal comfort of homes through heating in winter and cooling in summer.
- Since the full installation of all devices in November, approximately 59.25 CO₂eq tons/year have been avoided.

4.1.3 Foundations

Pehuén Foundation: Recovering Pehuenche Heritage Through Development Projects



Pehuén Foundation was established in 1992 by the Pangué Hydroelectric Power Plant company, a subsidiary of Enel Generación, with the aim of promoting sustainability programs for the six Pehuenche communities that are part of this initiative, and delivering tools to improve the quality of life and the economic and social conditions of the

families of this ethnic community living in Alto Bío Bío.

In 2017, the activities focused on productive development and entrepreneurship, promoting projects aligned with the values of sustainable development and honoring and promoting the cultural identity of each community.

In the educational field, the foundation provides study and stay scholarships for Pehuenche youth, facilitating their access to higher education and, therefore, to the labor market. In 2017, 56 students received this scholarship benefit

San Ignacio del Huinay Foundation



The San Ignacio del Huinay Foundation is a private non-profit organization, founded in 1988 by Enel Generación and the Pontificia Universidad Católica de Valparaíso. Its mission is to understand the structures and dynamics of the ecosystems of Chilean Patagonia, and to put the knowledge generated from these studies at the disposal of and for the benefit of society. Also, the foundation aspires to be a national and international leader in scientific research of Patagonian ecosystems, a reference source for studies of climate change, and a promoter of education and conservation strategies and sustainable development in both the region and the country.

For these reasons, the Foundation has operated the Huinay Scientific Center since 2001, which is located in the "Comau" fjord, in the municipality of Hualaihué, in the Los Lagos region. Since it began operating, the Center has carried out

numerous scientific research projects, thanks to the high-level infrastructure available for both national and international researchers.

Thus, to date, 646 scientific visits have been hosted; more than 150 publications have been published in specialized scientific journals; more than 60 new marine species have been identified and, in support of Chile's Ministry of the Environment, it has collaborated in the classification of 5 of these species as protected in the national territory.

The Foundation worked on the following main projects during 2017:

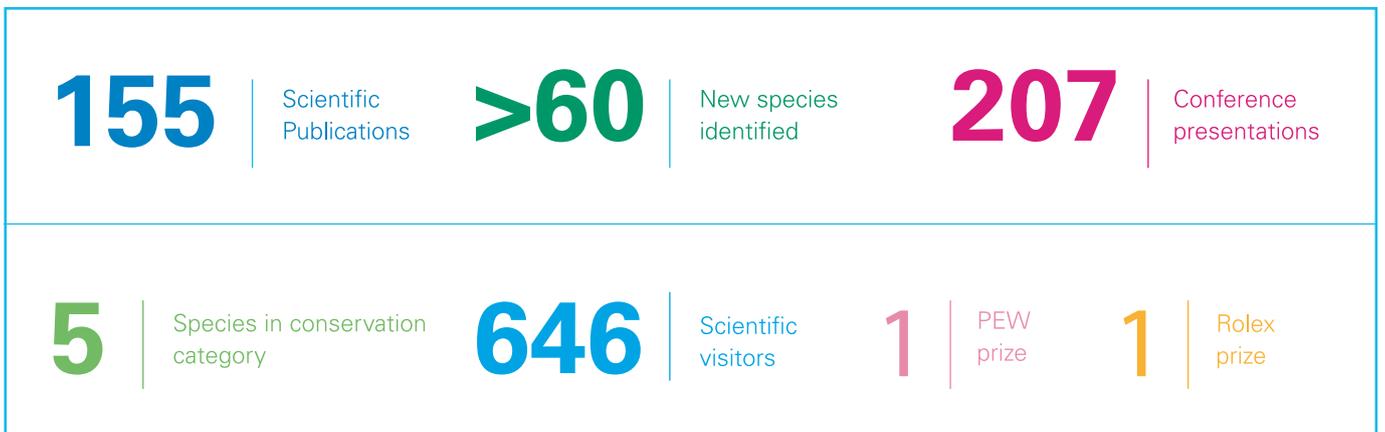
- > i. *Mass mortalities of cold-water corals in Chilean Patagonia: causes, consequences, recovery and resilience – Fondecyt Project.*
- > ii. *Key abiotic factors influencing species composition in Chilean Patagonian*

fjords and their usefulness as proxies for species distribution models, habitat mapping, and predicting patterns in benthic assemblages – Fondecyt Project.

- > iii. *PISCES: Patagonian Ice field Shrinkage impacts on Coastal and fjord Ecosystems – Conicyt Project.*
- > iv. *PACOC: Plankton and cold-water COral ecology in Comau Fjord, Chile – Conicyt Project.*
- > v. *Multiple rorqual whale mass mortalities in Patagonia, Chile – Blue Marine Foundation Project.*
- > vi. *Proposing a network of marine protected areas for Chilean Patagonia – PEW Project.*
- > vii. *Discovering new species in the unknown depth of Chilean fjords to understand their ecosystems and support their sustainable use and conservation – Rolex Project.*
- > viii. *Preliminary characterization of vegetation formations in San Ignacio del Huinay – INFOR Project.*



Foundations:
San Ignacio del Huanay



2017 Results



4.1.4 Corporate Volunteering

Connecting the Company's Human Capital with Social Development

Enel Chile and the Pequeño Cottolengo Foundation

The "Happy Park 2017" event, hosted by the Pequeño Cottolengo Foundation, engages in fundraising to finance the multiple needs of this social work which serves children, youth, and adults who are in lack of family support and suffering from severe and serious intellectual disabilities.

Enel Chile, within the framework of its social commitment and in particular

seeking to support this cause, made a donation of 2,000 kits for assembling solar lamps to the Pequeño Cottolengo Foundation. These ornamental-type solar lamps were donated in order to be sold at the Happy Park 2017 event, held on November 10, 11, and 12, to raise funds that will finance the different needs of the foundation.

The donation was supplemented with two days of volunteer work, when 22 workers joined in the challenge of building these ecological lamps to facilitate

their sale at the event. Additionally, two workers helped with the event activities as volunteers. All this added up to total 142 hours of volunteer work in which, in addition to making a contribution, it was possible to get to know part of the work that the Foundation is doing and to share with some of the beneficiaries of this work.

During the year 2017, 203 employees allocated 948 hours to different volunteer projects.



Acknowledgments and Awards



ALAS 20

Enel Chile: 2nd Place Business Leader in Sustainability



Award of Excellence in Diversity Management

Enel Chile was recognized by the Universidad de la Frontera for its management of diversity issues



Human Rights

In 2017, Enel Generación was recognized for its Human Rights policy in the seventh version of the study “System of Integration of the Global Compact Principles” (SIPP, its Spanish acronym), which analyzed the performance of 44 companies based on management indicators and the GRI. The evaluation was carried out with the academic support of the School of Sociology of the Faculty of Humanities and Social Sciences of the Universidad Andrés Bello.



FTSE4 GOOD

In 2017, Enel Generación Chile was included in the leading FTSE4Good index, which classifies the best performing companies in areas such as the fight against climate change, governance, respect for Human Rights, and the fight against corruption. The ranking is based on a series of environmental, social, and governance criteria (ESG).

FTSE4Good is an index of sustainable companies listed on the London Stock Exchange. Its purpose is to provide information on the non-financial performance of the most important companies listed on the stock exchange for better investor decision-making.

Enel’s commitment to meet the highest standards of sustainability has attracted greater attention from socially responsible investment funds.

4.2 Engaging the People We Work With

103-2 103-3

The talent and commitment of its workers are the main assets of Enel Chile. The company has designed a plan for people management that allows it to enhance the professional development of its employees, ensuring that they have the necessary tools and incentives to achieve the company's objectives.

By doing so, Enel Chile wants to strengthen its leadership in the energy industry, focusing on cultural change and the development of competencies, which allows work teams to focus on efficient processes and continuous improvement.

4.2.1 The People of Enel Chile

102-7 102-8 103-2 103-3

In 2017 Enel Chile, Enel Generación and Enel Distribución in their entirety had 1,948 employees:

Composición de la plantilla laboral al cierre del año

Año	Enel Distribución Chile	Enel Generación Chile	Enel Chile	Total País
2017	669	848	431	1,948
Female (%)	19%	13%	40%	24%
Male (%)	81%	87%	60%	76%
2016	690	883	439	2,010
2015	686	995	513	2,245

Age Range	Enel Chile
Less than 30 years old	10
Between 30 y 40 years old	174
Between 41 y 50 years old	155
Between 51 y 60 years old	87
Between 61 y 70 years old	5
Total	431

Turnover and New Hires

401-1

	2017
Employees hired during the year	17
Employees that finished their contracts during the year	59

Diversity and Inclusion

103-2 103-3 405-2

Enel Chile addresses the challenges of diversity and inclusion through its Global Diversity Policy. This policy was created by Enel group, and is applied to all of its businesses. The policy is founded on the principles of non-discrimination, equality in treatment, dignity in diversity and work-life balance.

The policy reinforces the company's commitment to the United Nations Women's Empowerment Principles - a guideline for incorporating gender equality in corporate sustainability strategies. Additionally, the company seeks to promote gender equality in selection processes, both internal and external. Enel Group has established a voluntary target of achieving, by the year 2020, equal representation in shortlists.

Enel Chile values differences and turns them into a competitive advantage, improving its processes, products, services, stimulating creativity, learning, flexibility and respect.

This year, an agreement was signed with the Fundación Teletón [Teletón Foundation], which promotes the participation of young people with disabilities in the workforce. Additionally, we jointly developed an e-course on Awareness and Adaptation to workplace inclusion.



In 2017, 27 women participated in the Parental Program, which seeks to value motherhood, and balance family life with the professional aspirations of parents. The program addresses the health and wellbeing of mothers, provides informative sessions about the family changes that come about when a new baby arrives, and the development of ties of trust between female employees and the business.

This year, the Company implemented the On-Boarding program that provides a tutor for each new employee. The purpose of this is to offer personal and professional assistance, facilitating the transition to the new workplace.

4.2.2 People Management

Maintaining a working environment where respect, transparency, and well-being prevail is essential for Enel Chile. In this area, effective communication is the main tool used to manage work teams.

Therefore, the company has emphasized internal communications, creating chan-

nels that clearly communicate the company's policies, benefits, and opportunities for career development, as well as gathering opinions and interacting with people.

401-2

During 2017, a number of initiatives to foster motivation, satisfaction, and commitment of Enel Chile's employees in the areas of leadership, communication, meritocracy and development, along with conciliation measures, and good labor practices have continued.

"HRO With You"

With the purpose of keeping permanent contact with its employees, Enel Chile has implemented a series of communication initiatives, under the concept of "HRO With You" (HRO is the acronym for Human Resources and Organization), through which, various topics of interest with a focus on people management are shared and explained on a daily basis. For this purpose, a weekly radio program, a Web page, good practice manuals, monthly bulletins for managers and workers, among other tools, have been developed.



Other initiatives are:



INTERACTION

Meetings that demonstrate the permanent presence of human resources and that aims to achieve greater closeness and dialogue with people regarding their day-to-day work.

PRESENTATION OF AREAS

Where employees deepen the roles, functions, and challenges of different areas of the company. The importance of this program lies in promoting a culture of collaboration, especially between different areas of the business.

FEEDBACK

Conversations that improve closeness, transparency, outline expectations, and support professional development of employees. Encouraging a culture of continuous feedback leads to developing employees' talents, as well as forming high-performance teams.

ONE ON ONE

Personalized conversations with each worker that strengthen their motivation and future aspirations, reinforcing closeness and relationships with our internal customers.

RECOGNITION

Seeks to enhance a culture of recognition within the company and generate formal instances in which co-workers nominate their peers for recognition for their contributions and performance.

CHANGE AGENTS

Leading a permanent culture of change in the organization. The program involved employees who proposed cultural change initiatives in different areas of business development.

CELEBRATIONS

Celebrations of important and special events for workers, such as birthdays, work anniversaries and festivities for other symbolic days such as Women's Day, Secretary's Day, and Electrical Power Workers' Day.

CONCILIATION AND GOOD LABOR PRACTICES

We have implemented smart workspaces where people can reinforce team activities, foster knowledge exchange relationships, collaboration, and team integration.

ECONOMIC SUPPORT

Personal loans, insurance discounts, gymnasiums, scholarships for employees and their children, gifts for the births of children, marriage benefits, and seniority recognition are provided.

During 2017, Enel Chile started the "Smartworking" plan, which is an evolution of the Teleworking program, which began in 2012, giving employees flexibility for the development of their work. Currently, 256 employees are part of the program in Chile. Of these, 102 belong to Enel Chile, who work from home or wherever they choose one day a week (between Tuesday and Thursday), as long as they comply with the safety and health measures established in current regulations. This benefit is one of the most valued work-life reconciliation plans in the company.

Reconciliation Measures and Labor Flexibility

 WHO	 WHEN	 WHERE	 HOW
<p>The activation is on a voluntary basis and regards only the staff of the pilot units.</p>	<p>1 day of the week</p>	<p>Work can be done at the employee's residence/domicile or other location.</p>	<p>All the legislative and contractual provisions in force are applied to the smart worker.</p>

The Sports and Culture Extension Program:

This is a traditional program of sports activities at the company's facilities that offers workshops and the opportunity to play different sports, such as football, baby soccer, basketball, and volleyball, among others. It is addressed to employees' children and it includes sports schools for tennis, soccer, and skating. In addition, there are artistic workshops, exhibitions, walks, family outings, and

other recreational initiatives aimed at employees and their families.

The summer and winter camps consist of recreational days for employees' children who are 6 to 15 years old.

Training workshops in summer:

Addressed to employees' families during the summer season.

Summer School of the Universidad de Chile: it is an initiative aimed at im-

proving the academic level of high-school age employee's children. As a way of encouraging studying, year after year the Academic Excellence Award is awarded to children of workers with high performance in their studies, from elementary to higher education.

We have a Benefits Guide, which presents the "Quality of Life Programs" developed by the Human Resources department, as part of Enel's transversal benefits policy.

Professional Development

404-1 103-2 103-3

The leadership and innovation capacity of the company is based on highly trained technical and professional teams. Because of this, Enel Chile has developed initiatives for managing knowledge within the company, opening the way for pro-

fessional development and encouraging employees to stay at the forefront of their respective fields.

In 2017, a total of 88,552 training hours were completed, of which 14% were on-

line and 86% were face-to-face. The on-line training opportunities were taken by professional areas, while the face-to-face classes were provided to both heads of departments and professionals.

	Enel Distribución Chile	Enel Generación Chile	Enel Chile	Country Total
Men	21,166	39,367	10,942	71,475
Women	5,357	2,066	9,654	17,077
Total	26,523	41,433	20,596	88,552

In 2017, the strategy of prioritizing the critical needs of each Business Line and the needs shown by the 2016 Climate Survey was applied. Consequently, the average training hours per employee have decreased from 54% in 2016 to 42% in 2017. The strategy applied in previous years was based on the formation

of massive competencies linked to operational issues.

In 2017, workers between 30 and 50 years old had greater rates of participation in training workshops, with 72% of participation rates.

Additionally, of all the topics covered, a total of 2,454 hours were training on safety issues and 3,794 on environmental issues.

Diplomas and Courses

“Creando Huellas” Program

404-2

This program is aimed at heads of departments, with the goal of developing their leadership skills and promoting the development of the people under their

charge, supporting their professional growth and the achievement of objectives. It also seeks to contribute to more efficient work in a positive work environ-

ment. In 2017, 72 people participated, taking formative training together, and specific support tools were utilized to meet the needs of each manager.

Diploma in Electrical Markets, class of 2017

Held exclusively for Enel by the Faculty of Economics and Business of the Universidad de Chile, in its facilities, with duration of four intensive months and a total of 120 training hours. In 2017, 21 people from Enel Chile participated, a total of

over 200 workers have been trained on this subject since 2011.

The program seeks to deepen knowledge of the characteristics and challenges of the electricity business, contribute to the

negotiation processes, aspects involved in contracting the electricity supply, and offers of complementary services and distribution tolls, thus enhancing participants' performance and position within the company.

Diploma in Evaluation and Direction of Electrical Projects

Held exclusively for Enel, carried out by the Faculty of Economics and Business of the Universidad de Chile, it had a duration of 120 hours and was designed especially for employees of the company, with the aim of developing an inte-

gral business plan from the point of view of private interests, as well as correctly applying the techniques and methodologies necessary for the preparation and economic evaluation of investment projects. In 2017, 9 workers from Enel Chile

companies participated: 5 workers from Enel Generación and 4 workers from Enel Distribución.

Thermal Powerplant Operation

This initiative consists of training with a simulator that encourages developing technical skills, eliminating the operational risks of training in a real-life operation.

The simulator allows workers to develop the technical skills to operate a thermo-electric plant safely and efficiently. 33 employees participated in 2017.

4.2.3 Performance Appraisal

404-3

At Enel, performance management is a developmental tool for employees. The new PA (Performance Appraisal) Behavior assessment and goal-fulfillment model provides input for training activities that enable employees to grow through courses, workshops, lectures, and other activities.

The values of Open Power provide a structure for performance evaluation, allowing a clear and transparent process where the feedback allows the employee to identify the areas of improvement on one hand and, on the other, allows Enel Chile to detect the training needs of the work teams.

	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total N°. of collaborators	351	222	573	232	166	398	241	170	411
N°. of high executives evaluated	18	4	22	17	5	22	20	4	24
N°. of intermediate managers evaluated	49	16	65	47	14	61	57	22	79
N°. of administrative staff evaluated	282	201	483	167	147	314	164	144	308
Total N°. of evaluated employees	349	221	570	231	166	397	241	170	411
Percentage of employees who receive regular performance evaluations	99.4%	99.5%	99.00%	99.6%	100.0%	99.79%	100%	100%	100%

4.2.4 Labor Relations and Trade Unions

102-41

Enel Chile rejects the use of any form of forced or compulsory labor — as defined in the ILO Convention 29 — and does not confiscate money or identity documents at the beginning of the employment relationship, in order to retain collaborators against their will. It also respects the rights of children and rejects child labor by ensuring respect for ILO Convention 138.

The Company assumes a commitment to the Human Rights of both its suppliers and its collaborators. In this context, it facilitates the freedom of association and collective bargaining, which implies

the recognition of the right to constitute or participate in organizations whose purpose is the defense and promotion of the interests of workers. Likewise, it values the right to representation of employees by trade unions, in accordance with legislation and other forms of representation. For the company, collective bargaining is a voluntary instrument for determining the contractual conditions of its employees, as well as for the regulation of relations between the board and the unions.

Workers Covered by Collective Agreements

	2017	2016	2015
% of the total staff *	81%	82%	-
Enel Chile	73%	74%	-
Enel Generación	83%	81%	73%
Enel Distribución	88%	90%	86%

* Figures represent an average of Enel Chile and its subsidiaries Enel Generación, Enel Distribución

Additionally, the company continued the meetings with unions, strengthening the dialogue with the employees' representatives and the good working environment.

4.3 Innovation and Operational Efficiency

4.3.1 Innovation

102-2 102-3 102-15

Enel Chile encourages the generation and promotion of an innovation culture among its employees. Accordingly, it seeks to promote the creativity of technical and professional teams, to whom it gives both the tools and the opportunities for developing their capacities, as well as a favorable organizational climate, facilitating the exchange of ideas and the development of solutions for the various challenges that the organization faces.

The Open Power strategy highlights the importance of innovation, because through it Enel seeks to expand access to energy to more people, incorporating and

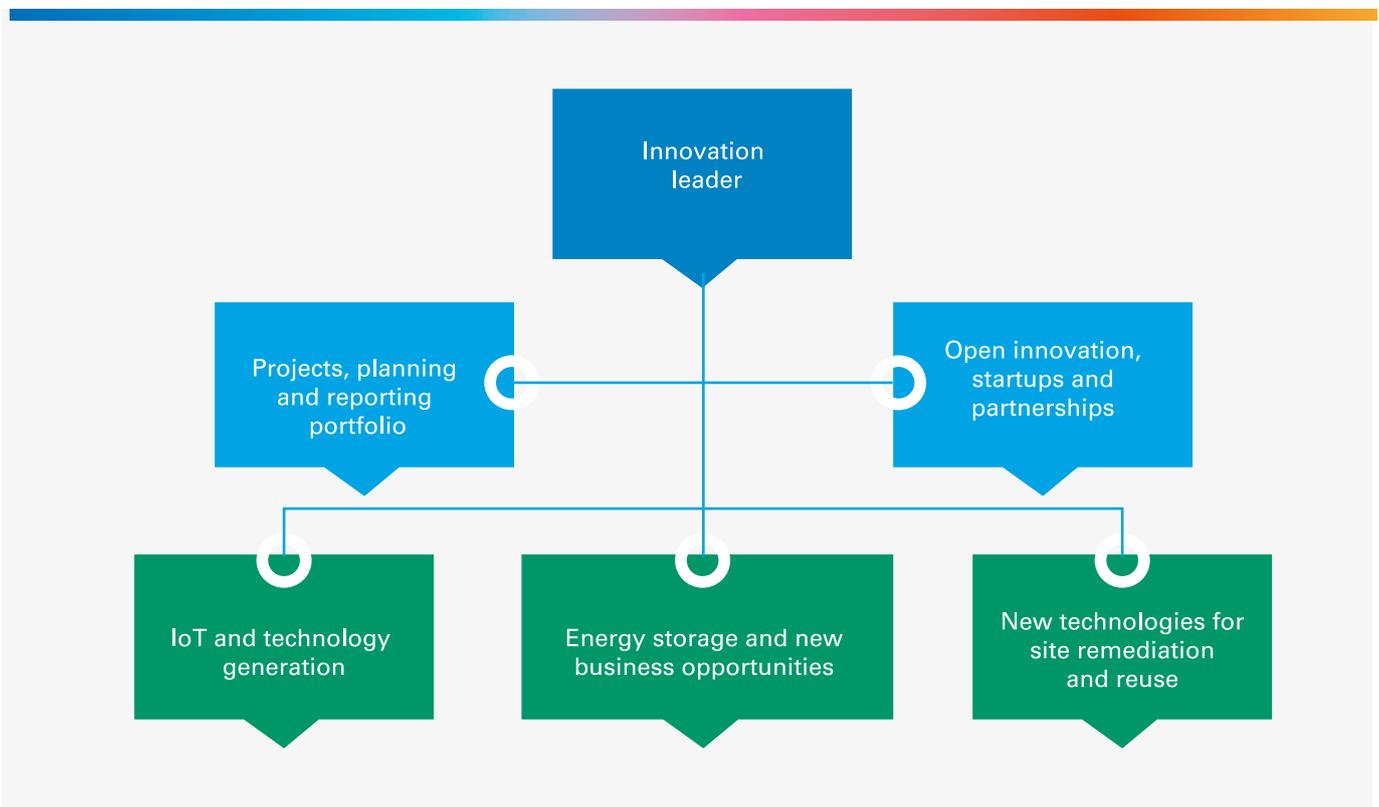
developing new technologies and facing global challenges with a future-oriented outlook, based on connectivity and electric mobility.

The Enel Chile's Innovation Policy provides guidelines and practices for promoting an innovative culture that allows for the development of processes, products, and services that solidify Enel's leadership position in the electricity generation and distribution market.

This policy guides the creativity of subsidiaries Enel Generación and Enel Distribución in achieving global corporate objec-

tives. Both companies have an Innovation Committee, composed by the main executives of the company, who evaluate and supervise the activities developed by the innovation area. The purpose of the committee is to identify projects that meet the criterias of opportunity, profitability, growth, and feasibility, as defined by the company.

At Enel, globally, the focus on innovation is structured as follows:



Focuses of the Innovation Strategy in Each Subsidiary

Subsidiary Enel Generación Chile

Efficiency and flexibility in thermal power plants

Environment and sustainability

Energy storage, digital systems and market analysis

Security and robotics

Cross activities

New Business

New business models, products, or services that leverage the core business for the segments:

- > B2C
- > B2B
- > Base of the pyramid

Increasing Market Share

Increasing electric power market penetration, boosting energy efficiency, and complementing Renewable Energies.

Operational Excellence

- > Increasing productivity and reducing costs, maintaining or improving quality.
- > Improving accident rates through the incorporation of new technologies and the excellence of processes.
- > Reducing non-technical losses and improving the reliability of technical and commercial processes.

Subsidiary Enel Distribución Chile



Innovation Week 2017



During the month of October, Innovation Week XIII was held, an activity that, year after year, seeks to highlight the place of innovation in the business strategy and in the organizational culture of the Enel Group.

This activity is developed with the active participation of workers, through lectures, practices, and games, such as lectures, laboratories, virtual reality workshops, and chroma key.

Participants from Enel Chile and its subsidiaries, brought together by the slogan “Atrévete y Sorprende (Dare and Surprise);” were able to identify strategies for managing ideas and shared them with different areas of the company.

New Projects

Both subsidiaries work to model the future of the global energy industry, one idea at a time. The Enel Group encourages the creativity of employees by de-

veloping activities within each company, or through encouraging workers' participation in international fairs and seminars.

Activities developed in the subsidiaries of Enel Chile are detailed below:

Enel Generación Chile

Program of Open Innovation

The subsidiary has collaborative programs focusing on innovation with Chilean and foreign universities, with the aim of shortening the gap between academic and industrial knowledge, generating synergies that accelerate the development of new processes and technologies.

In 2017 a series of lectures was developed with the Universidad Técnica Federico Santa María (UTFSM), and an initiative was sponsored for creating an underwater lighting system, which is expected to be executed in 2018.

Gxellence Ideas Capture Program

In 2017, the second version of this program was carried out simultaneously in all the thermal generation areas of the company. The participants presented projects in the categories "Continuous Improvement" and "Innovation", where five and four winners, respectively, were awarded. The winners' projects were subsequently presented in the group's global competition.

ALAS Project

This project was the principal start-up of 2017 and allowed 17 collaborators to

train and qualify as drone pilots with the General Directorate of Civil Aeronautics (DGAC for its Spanish acronym). This training will allow Enel to monitor variables that are difficult to detect from the ground, improving information entered on the risk map in real time.

Real-time risk map (4D)

Along with the development of ALAS, the Quintero Plant worked on a pilot plan for the development of a (4D) risk map in real time which detects interference produced by different actors that perform interventions in the plant simultaneously.



Enel Distribución Chile

Collaboration agreements

Through a collaboration agreement with Start-Up Chile, four projects were developed:

> *HappyVolt*: intelligent meter that shows the different electrical consumption of a building or productive factory.

- > *AnewLytics*: A cloud-based software solution that analyzes context, automatically and in a timely manner, analyzing conversations between users and contact centers in order to describe their behavior, predict risk situations, and propose actions to minimize effects.
- > *Reborn*: Design that allows for converting a diesel bus, with 10 years of

operation, to an electric bus with a lifespan of up to 10 years

- > *Ennomotive*: Platform that connects different employees of the Enel Group to solve various challenges.
- > *SmartPoll*: Mobile app for data collection and visualization of reports in real time that manages information through Big Data techniques.

2017 Innovation Programs

Chispers

Chispers allows users to charge their mobile phones using an inductive wireless system that enables them to receive and donate energy to their community. In 2017, the charging points were redesigned, adapting them for installations in traditional formats at shopping centers, hotels, and restaurants, and for a new transport format, as well as creating 120 new points on 30 university campuses.

Boot camp 2017

Boot Camp or “Continuous Innovation Training,” is a day of talks and workshops that addresses cutting-edge topics in the energy industry, and methodologies to stimulate creativity and innovation. The

2017 version of Boot Camp, consisted of 12 workshops organized into three modules.

Flex Energy Home

This project seeks to automate the management of renewable energy generated at the household level. This is accomplished with a local energy storage and consumption monitoring system, allowing for the automation of energy management according to the user’s preference.

Electric Bus

This innovation was approved by the transport authority, and it operates on a standard compatible with Transantiago,

the current urban public transport system of the Santiago Metropolitan Region. This one-of-a-kind vehicle is 100% electric and reduces the cost of energy by 70% compared to a conventional bus. It is also equipped with free Wi-Fi and Chispers.

“No Limits” Program, Innovation Center UC

An internal team from the company worked together with 3 of the program’s students during 4 months to develop a solution and a prototype for a sales experience in Enel Distribución’s commercial offices.

E-SOLUTIONS



E-Solutions

With the goal of opening up energy for new uses, new technologies, and new services based on digitalization, Enel Chile, in conjunction with Enel Distribución, developed E-Solutions (Enel X as of 2018) in 2017. Enel X is a platform that will be launched in 2018 and will have 4 business lines:

e-City: The management and implementation of “turnkey” projects for municipalities and different public and governmental entities, developing technological solutions related to public and artistic

lighting, security systems, and energy efficiency, based on personalized and specialized attention.

e-Home: Focused on giving access to cutting-edge technologies to people, transforming the home into comfortable spaces according to the particular needs of each particular home and family, offering HVAC services, efficient solutions for water heating, photovoltaic systems, LED lighting, insurance and assistance, and home automation, among other functions.

e-Industries: The development of integral projects for different industries, from

specialized consulting, implementation, and monitoring of each service in technologies related to energy efficiency, distributed generation, electrical projects, and management of energy demands, providing differentiated value for companies.

e-Mobility: The sale of products and services that promote the development of electric mobility, charging infrastructure, urban and interurban, and new technologies, such as the vehicle to grid (V2G). In addition, it promotes electric public transport, offering integral solutions for transport operating companies.

Electric Mobility

Within the scope of development proposed by e-Mobility, the subsidiary Enel Distribución has worked for several years on promoting the use of electricity for transport at different levels. The following are the main advances in electric mobility during 2017:

- > In the “Green Zone of Santiago,” the first electric bus that runs through Santiago Centro continues to operate (the bus began operation in May 2016).
- > During May 2017, the largest 100% electric fleet in Latin America was delivered to Enel workers in Chile. This plan offered the latest generation Nissan, Hyundai, and BMW electric vehi-

cles. More than 65 applications were received for the Nissan Leaf and the Hyundai Ioniq, exceeding the 30 vehicles available.

- > In October 2017, Enel Distribución delivered 10 electric buses to the Metabus transport operator for a period of 10 years. The buses operate for the 516 bus route of Transantiago, one of the most demanding routes providing transit through 8 municipalities, with routes of 63 kilometers.
- > The Enel store has continued the promotion of products along this line, such as scooters and bicycles, among others.

One of the challenges in promoting electric mobility is to provide cities with the necessary infrastructure to meet the supply needs of vehicles. In this context, the number of “electric stations” available at the end of 2017 was 18. One relevant milestone in this context was the inauguration of the first charging point for electric cars in Concepción, located in the parking lot of the building where the new company offices are located in the Bío Bío region.

Energy and operational efficiency

103-2 103-3

Energy Efficiency in Enel Generación

National Exploitation Center Project

During 2017, one of the most relevant projects was the centralization of hydroelectric power plants, after unifying the control of 16 generation plants that represent an installed capacity of 3,465 MW in total.

The solution was integrated into a control system that collects the information from the Zonal Exploitation Centers (ZEC) and delivers it to the National Exploitation Center (NEC), located in Santiago. Thus,

with an integrated vision, operators can apply criteria for generation optimization.

Optimal load distribution

Optimal load distribution makes the use of water resources more efficient in hydroelectric power plants, through the utilization of the best combination of performance of the units, seeking to minimize

the turbine flow for the reservoir plants, and to maximize the power delivered in the run-of-the-river plants using the tributary flow.

In 2017, the application of this methodology represented a generation increase of approximately 77,000 MWh.

Optimization of the daily programming of hydroelectric units

Thanks to this tool, Enel Generación optimizes the daily dispatch of the generation units, which allows the company to maximize revenues based on the

available resource, the efficiency of the units, and the price of energy. The optimization of the daily programming at the Los Molles and Sauzal-Sauzalito power

plants enabled the contribution to the Central Interconnected System to be increased by 5,600 MWh during 2017.

Energy efficiency in distribution

The vision of the Enel Group inspires new ways of incorporating energy efficiency into the company's Strategic Plan, providing three lines of action that allow for developing concrete actions to contribute to the country's energy future.

Enel Group Vision Action Axes

Education

- > Positioning of electric mobility and smart metering.
- > Positioning of sustainable electric heating with a focus on Energy Efficiency.
- > Positioning of distributed generation with photovoltaic technology.

Diffusion

- > Development of relationships with public and private institutions.
- > Presence at events and seminars.
- > Following-up with the government's Energy Agenda and participating in processes related to it.

Customers and Innovation

- > Strengthening the development and sales of value-added products and services for customers
- > Energy Efficiency Solutions and incorporation of renewable energies to improve the productivity of different economic sectors and the quality of life of residents.
- > Diffusion through the company's website and social networks.

Impulse Photovoltaic KIT

The photovoltaic area for the residential sector was developed in 2017, as a result of analyzing customers' needs, then defining and creating products to meet those needs. The company was a leader in the industry within its service area, due to an integrated strategy that was formulated together with employees. Enel Chile has

more than a 60 percent presence in the photovoltaic market.

One of the milestones in 2017 was the development of products oriented to the SME sector, a sector that requires a greater energy demand, and that shows a clear interest in these systems.

More than 110 connections of photovoltaic systems have been made to residential customers and SMEs, within the framework of Law 20.571 of Distributed Generation, marking an important milestone towards the massification of this type of technologies and increasing the efforts of Enel Chile in that line.

Energy Efficiency Projects in Hospitals

Within the bidding process carried out by the Chilean Agency for Energy Efficiency (by its acronym in Spanish ACHEE), Enel Distribución was awarded 3 projects in highly complex hospitals. In these proj-

ects, photovoltaic generation systems were installed, according to the criteria requested by each hospital.

The awarded hospitals were the Castro

Hospital, the Regional Clinical Hospital of Concepción, Dr. Guillermo Grant Benavente and the Concepción Hospital. This meant revenue of CLP\$878 million, approximately.

Full electric

The "Full Electric" projects consist in the use of electrical equipment in all the facilities within an apartment, using high technology and efficient devices. "Full Electric" apartments include kitchen

equipment, sanitary hot water solutions, and heating systems.

During 2017, Full Electric apartments represented 37% of the market for new

apartments built in Santiago. As of December 2017, there are around 117,972 Full Electric apartments in the Metropolitan Region, mainly in the Central and Center-East municipalities.

Operational Improvements in Power Plants

Bocamina Power Plant and Tarapacá Thermal Power Plant

The task of covering the coal storage fields of the Bocamina Power Plant consisted of the installation of a geodesic dome that covers 22,300 square meters, measures 51 meters in height, and has a storage capacity of 150,000 tons. Along with this, Bocamina

has Johnson filters, an advanced technology that almost completely reduces the entrance of hydrobiological organisms to the plant's cooling system. Bocamina coal generation decreased from 3.0 TWh in 2016 to 2.3 TWh in 2017. Both measures are part of the commitments assumed by the company established in the project RCA (Spanish acronym for Environmental Qualification Resolution),

and they aim to improve the environmental performance of the plant.

For its part, in the Tarapacá Thermal Plant, a semi-dry desulphurization system was installed which reduces SO₂ emissions into the atmosphere, as well as an air-to-fire system to reduce NO_x generation. With these measures, the plant complies with the Emission Standard for Thermo-

electric Power Plants (D.S. No. 13/11 of the Ministry of the Environment) that seeks to control emissions and protect health and the environment. Additionally, Enel Generación has improved the installation of ash dumps, through the deposit of waste in cells with waterproof textile geomats.

Bocamina Central constantly monitors all environmental variables defined in its environmental qualification resolutions and current emission standards, and reports to the Authority periodically. In this sense, the chemical analysis of the raw material used (coal) and solid residues (mainly ash) deposited in landfills do not indicate risk, and do not present levels above the norm or reference limits of heavy metals.

Between 2016 and 2017, CESI, an Italian company with extensive experience in environmental studies, using the WRF/CALMET/CALPUFF methodology, made a model to determine the contributions of the Bocamina plant in terms of concentrations of SO₂, NO₂, and MP10 in the air and in depositing heavy metals in the ground.

The model has been implemented considering, among other conditions, concentrations of heavy metals measured in funnels, recorded meteorological conditions, and different configurations of the plant.

In the absence of a local standard, the Environmental Expert Report of the Criminalistics Laboratory of the Chilean Investigative Police (PDI No. 121/2013) and international standards have been considered as references for the determination of the contribution level of the plant to heavy metals accumulation in the ground. In the case of atmospheric emissions, the values of the applicable air quality standards were considered as a reference (D.S. 113/2002, D.S. 114/2002, D.S. 59/1998, D.S. 20/2013).

The result of the modeling, despite having used several very pessimistic assumptions, indicated that the contribution to the air and the ground of the Bocamina Power Plant is very low with respect to the values of heavy metals detected by the PDI, and they are even very far below international norms and standards. Therefore, considering the mechanisms of assimilation of heavy metals, it is possible to conclude that Bocamina Central has a marginal influence on the people who reside and/or travel through the city of Coronel.

Control of Energy Loss

The optimization and efficiency of resources intersects all areas and stages of development of Enel Chile's projects. To control energy losses, a Loss Management Plan was designed, articulated in three axes:

- > Presence in the field with inspections and daily normalization
- > Implementation of technical measures for critical areas.
- > Incorporation of technology to support

management and execution.

- > In 2017, close to 200 thousand inspections were carried out to recover about 51 GWh of unbilled energy.

Also, last year we continued working on anti-theft measures, such as the shielding of networks by installing Ananda boxes for more than 7,500 customers. Regarding the "micro-measurement" of distribution transformers, there are cur-

rently more than 1,440 meters with a balance, which detect theft early, for a range of more than 270,000 customers.

The company also worked together with some real estate agencies to carry out work aimed at hindering access to splices in social housing, prior to its delivery date. Anti-theft boxes and armored meters were added for more than 1,400 customers.

Crisis management policy

The crisis management policy establishes an action protocol to handle events that may affect business operations, financial performance, profitability, reputation, public safety, or any stakeholder.

Through the application of the operational practices defined in this document,

Enel Chile and its subsidiaries can face decision-making processes in an efficient manner, reducing uncertainty and facilitating communication and coordination with the actors involved.

During 2017, this policy provided for coordinating the response to the two ma-

ior storm events that caused service unavailability: the wind and rain storm in June that affected about 175,000 customers in the Metropolitan Region, and the heaviest snowfall recorded in the last 46 years, which occurred in the month of July, and which affected around 300,000 customers in the Metropolitan Region.

4.4 Customer Focus

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The operations of Enel Chile and its subsidiaries aim to generate and distribute energy in a safe and reliable manner, complying with the highest quality stan-

dards. Commercial management of the company is projected over the long term while maintaining stable relationships and trust with their customers, with Enel

pledging to constantly improve the channels of communication and attention.

Quality of Service and Customer Satisfaction

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Quality of service has a direct impact on customer satisfaction. Each semester, residential customers and large custom-

ers are surveyed to determine their level of satisfaction. This survey is critical for the management of the company, be-

cause through these indicators it is possible to identify management gaps and take corresponding measures.

Residential Customer Satisfaction

	2017	2016	2015
Customer Satisfaction Index*	58%	67%	64%
Number of claims and information requests	17.9	12.1	11.5
Response time to complaints received in writing	13.6	9	9.1

* Comparisons of the first semester

During 2017, the satisfaction rate of residential customers reached 69% in the first semester, and 47% in the second semester.

The calculation methodology consists of an average of the satisfaction of each

customer measured in eight variables. For each customer, an average of their answers is calculated, and then the number of people who gave a rating from 4 and up is calculated as "satisfied," out of the total number of customers interviewed.

In the case of Large Customers, the satisfaction index reached 62%, which is a decrease of 9 percentage points with respect to the 2016 period.

Transparent and Fluid Relationships with Customers

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Customer Service Channels

The vision of the Enel Group inspires a transparent relationship with customers, based on the delivery of clear, timely information, and through multiple channels, both on-site and off-site

Face-to-face Channels

In 2017, Enel Distribución had 10 commercial agencies to serve its customers. These have been reduced progressively due to the growing penetration of remote channels, such as call centers and online customer service.

Commercial Structure

	2017	2016	2015
Number of Agencies	10	13	15
Indirect Contact Channels	4	4	4

Remote Channels

With increased in connectivity in the country, the opening and maintenance of digital channels becomes particularly relevant. Digital channels allow customers to find clear and relevant information in written or audiovisual format and to get in touch with Enel Chile, receiving an immediate and timely response. Likewise, the company's presence on social networks has proven to be a powerful strategy, both to deliver information and

to receive complaints and queries.

The use of Call Centers is also employed, where we work with professionals trained in the products and services offered by the company. The customer service agents in the call centers can solve customers' problems and answer their questions, as well as referring them to other areas, such as Payments and Stores.

Enel X is the company's online sales channel, which offers customers a range of products and services that reduce their electricity consumption. These products comply with all current regulations, so the customer receives a product that is safe for their health and that is economically and environmentally efficient.

Digital Presence of Enel Chile

On the web www.enelchile.cl
www.enelgeneracion.cl
www.eneldistribucion.cl

On Social Networks Facebook EnelChile
Twitter @EnelClienteCL

On Your Smartphone Enel Energía App

Available in the Google Play and App Store, this application permits customers to access their energy consumption in real time, see their last account status and make payments.

Customer Service Platform

In terms of customer management, during 2017, Enel Chile made progress in the implementation of the CRM (Customer Relationship Management)

Project, which consists of a digital platform for customer service, specifically designed to respond to electrical emergencies.

Advances 2017

Implementation of Salesforce for emergencies

This application provides a 360 ° view of each instance of customer attention, in addition to including reports and modifiable reports that serve to monitor and control service. Several of the processes, previously manual, are currently included as an integral part of the service, mainly the ratification of supervisors and analysts. Salesforce has also served as a pillar for integrating digital and automated channels (Twitter, Facebook, web, APP, IVR), adding this information to the integral vision of service channels and attention.

Implementation of IVR

The interactive voice response or IVR (Interactive Voice Response) system consists of an automated tool that aims to increase the number and types of call center services. Through the IVR, the customer is given self-care options and, if necessary, the calls are assigned to the customer service agents' platform according to the type of request.

During 2017, progress was made in improving this service, incorporating filters to detect electro-dependent customers, who at the moment of being identified are transferred to the customer service agents' platform as high priority. Together with the above, the base of registered telephone numbers was increased, allowing for the automatic recognition of the supply number, surpassing 500,000 registrations.

Consumer Advisory Board

The board was created in 2005 with the aim of establishing a more direct and transparent relationship between the company and its customers, thus recognizing the value of an organized civil society. At the Chilean business level, it was the first successful example of a di-

alogue between a service company and consumer associations, in which the National Consumer Service (by its acronym in Spanish SERNAC) acts as guarantor of the dialogue. In 2017, the Advisory Board met on six occasions to analyze issues related to the contingency of the oper-

ation, the projects of Enel Distribución Chile, and to address the concerns of customers assisted by the participating organizations (Consumers and Users Organization of Chile, Odecu and the National Corporation of Consumers and Users of Chile, Conadecus).

Services for Large Customers

Subsidiary Enel Distribución Chile

For the company, "Large Customers" are those that have a considerable consumption of electricity. In general, this category includes real estate companies,

infrastructure development companies, free customers, companies, municipalities, and public bodies. These organizations are given electrical distribution,

connection to the grid, eco-energy solutions, and public lighting projects.

Subsidiary Enel Generación Chile

The generation business supplies energy through the National Electrical System to customers from the mining, forestry, chemical, and refinery sectors, and to other industries that can legally be supplied by an energy-generating company.

Enel Generación Customers in the area of gas

Through the sale of natural gas, Enel Generación Chile provides clean and competitive energy, contributing to the reduction of carbon emissions and therefore to the country.

Natural Gas

In line with the Open Power vision that seeks to open new forms and uses of energy for the consumer, the natural gas business contributes to the development of a clean and competitive energy platform, the reduction of carbon emissions, and the diversification of the energy supply in Chile

During 2017, through local distributors, the company supplied natural gas to about 12,000 customers between the cities of Temuco, Talca, Los Andes, Coquimbo, and La Serena, which means a growth of about 11% in the number of customers with respect to 2016. Enel Generación has been recognized as the first company that delivers service to cities far from gas pipelines. In this manner, Enel Generación helped reduce CO₂ emissions from residential and commercial customers by 17% during this period. In the case of industrial customers that used FO6, the reduction of CO₂ emissions was up to 32%. In particular, in the city of Temuco, it is estimated that emission was reduced by 2,400 tons CO₂ for 2017.

To this end, the company has 4 district plants for the supply of natural gas to cities. The 4 district plants of Enel are supplied with LNG by trucks. The company delivers this service to its customers between Copiapó and Puerto Montt by tanker trucks, which load the LNG at the Quintero terminal.

Enel Generación is the main supplier of natural gas (through gas pipelines) for industrial customers in the Northern sector from LNG Mejillones, and was awarded the supply again for 2018.

4.5 Occupational Safety and Health



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Employees' safety and occupational health are crucial for Enel Chile and its subsidiaries. Its management is based on the promotion of the culture of self-care, where employees are invited to adopt simple practices to prevent, detect, and report situations that may put their own or their partners' integrity at risk.

Occupational health and safety management belongs to the HSE management of Enel Generación and Enel Distribución. Management is based on the group's policies, among which are policy no. 50, which regulates interference of jobs between different Sectors of the company in the same area; policy no. 52, concerning accident/incident reporting and investigation, in addition to the

Handbook of Occupational Safety and health standards. The aforementioned policies also apply to the suppliers of work and services, by being attached to the bidding rules.

Likewise, the results of the "Climate and Safety Survey" are used to implement improvement plans, including strengthening the safety culture.

Strengthening the Safety Culture: Communication and Training

Occupational safety and health results directly affect Enel's strategic objectives. Therefore, the process of continuous improvement of operations necessarily considers the permanent reinforcement of preventive activities and the search for better performance indicators.

At Enel Chile and its subsidiaries, the culture of occupational safety is supported by various communication and training activities in areas such as self-care, detection, and reporting of situations or events that could put workers at risk. In this context, programs have been developed in both subsidiaries to promote

Enel's safety culture, emphasizing both the leadership skills of the various head offices and the self-management capacity of all employees.

During the year 2017, 7 Extra Checking on Site (ECoS) took place.

Safety Briefing

Every 15 days, all units of Enel Distribución Chile carry out a safety briefing, which consists of a brief talk where the main results in terms of safety and ac-

cident analysis are presented. The General Manager and the company's main executives participate in the meetings, with the aim of reinforcing the culture of

safety and awareness in all sectors and at all levels.

Safety Walks

The safety walk is a regular activity carried out by the executives of Enel Distribución Chile and allows for the inspection of the security conditions in which

operations are carried out. During the safety walks, managers, area and units heads have access to valuable information that allows them to streamline the

dialog on labor safety and make decisions more efficiently.

	2017	2016
Number of Walks	188	56

One Safety

One Safety promotes the work culture of safety and self-care, by encouraging a review of employee behaviors through

a checklist that shows opportunities for improvement. This tool is used by all the company's teams, who constructively

share the results of the observations.

Intrinsic Safety

Through this initiative, Enel Generación Chile seeks to determine the Intrinsic Safety Index of machinery, systems, or equipment, through a checklist that

evaluates the associated safety aspects, identifying potential risks and opportunities for improvement, which are addressed in an action plan.

In 2017, 2 evaluations per plant were carried out using this methodology.

Joint Committees

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The Joint Hygiene and Safety Committees represent 100% of the company's employees, with the goal of contributing

to the management and promotion of a work safety culture. Each committee is made up of representatives of the com-

pany and employees.

Psychosocial Risks Management

The Psychosocial and Labor Risk Committee is made up of executive members, workers' representatives and HRO's management, who are in charge of implementing the Psychosocial Risk

Surveillance Protocol, in accordance with the provisions of current regulations.

Its function is to identify factors related to psychosocial risks, to allow the gener-

ation and planning of intervention actions to reduce or eliminate the impact that risks have on employees' health.

Enel Chile Figures

Our Own Workers

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Indicator	Enel Chile	
	2017	2016
IF= (number of accidents (excluding "in itinere")/total hours worked)*1,000,000	0	0
IR=(number of accidents (excluding "in itinere") / total hours worked)*200,000	0	0
Number of fatal accidents	0	0
Number of serious accidents	0	0
Number of non-serious accidents	0	3
Total number of occupational diseases	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0.04

Contracted Workers

Indicator	Enel Chile	
	2017	2016
Number of fatal accidents	0	0
Number of serious accidents	1	0
Number of non-serious accidents	6	3
Total Accidents	7	3
Lost Time Injury Frequency Rate (LTIFR)	0.34	0.3

The figures, both for own workers and for contractors, correspond to Enel Chile and its subsidiaries.

Healthy Life Promotion

During the year, Enel carries out various initiatives aimed at educating and encouraging activities in pursuit of a healthy life, promoting changes in habits that have positive impacts on people's lives.

In 2017, several campaigns were highlighted to encourage preventive examinations for different types of cancer, such as pros-

tate, uterine, cervix, colon, breast, and gastric cancer. Additionally, an anti-stress campaign, an anti-smoking campaign, and a heart care campaign were implemented. All this was in addition to the immunization campaigns against seasonal influenza, and campaigns for the prevention of viral infections and respiratory diseases, among others.

Additionally, an exercise break program was held, which invites employees to take a few minutes of the workday to focus on their posture and breathing. This program has had positive impacts on productivity and the work environment.

Training and Qualifications of Contractors

Enel Chile, with the objective of ensuring compliance with the health and safety requirements agreed to in bids, conducts periodic inspection audits in the field, to identify opportunities for work

improvements. Additionally, seeking to share standards and good operational practices to work efficiently and safely, it manages training sessions carried out by Enel's own staff, as well as by spe-

cialized OTECs (Spanish abbreviation for Technical Training Organizations) and by the mutual associations with which they are affiliated.

In 2017, 553 contractors' workers were trained in safety matters:

- > 221 workers in activities associated with construction
- > 221 workers associated with maintenance activities
- > 55 workers associated with operations
- > 5 workers associated with operations and maintenance activities

The safety issues addressed by the trainings were:

- > Working at heights
- > Crane truck operators
- > Electrical risks in distribution networks
- > Safe development of civil works
- > Energized lines

Safety Moving Pool (SMP)

Enel Chile has a multidisciplinary team for major maintenance work (major outage), composed of workers with extensive experience in safety and generation processes. Its function during maintenance is to monitor and provide advice

on compliance with safety measures during the work development phase. Its objective is to provide technical and safety advice, constantly seeking continuous improvement of processes.

During 2017, it functioned in units I and II of the Taltal Thermal Power Plant and units I and II of the Bocamina Thermal Power Plant.

4.6 Sustainable Supply Chain



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Enel Chile has proposed managing its supply chain with the overarching value of sustainability, seeking out commercial relationships based on Open Power values. Thus, all suppliers are evaluated based on their policies, practices, certifications, and previous economic activities, through indicators that measure timeliness, quality, and safety of the service offered.

Once a part of Enel Chile’s supply chain, formal adherence to the principles of the Code of Ethics and Zero Tolerance to Corruption is required. During its operations, Enel Chile carries out regular monitoring of its management in order to ensure the supplier’s alignment with the company’s practices.

In 2017, a total of 35 supplier companies were part of the supply chain of Enel Chile. Additionally, payments to suppliers for the supply of goods and services represented an amount of 2,068,346 million pesos.

Provision of Contractor Workers in Enel Chile

	2017	2016
Contractor Companies’ Workers in Chile	8,382	9,102
% providers to Enel Generación	42.8%	41.6%
% providers to Enel Distribución	51.6%	50.9%
% providers to Enel Chile	5.6%	7.5%

Promoting Suppliers as Strategic Partners

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Enel Chile’s supplier management strategy seeks to select companies that can be strategic allies, which, through a contractual relationship, deliver goods and services that comply with the standards of governance, environmental care, quality, and efficiency required by the company.

Every contract for goods and services has clauses that commit the contractor to responsible behavior in social, environmental and ethical matters:

- > Compliance with the 10 Principles of the Global Compact.
- > The promotion of an occupational health and safety culture.
- > Compliance with and promotion of an

ethical culture.

- > No conflicts of interest.
- > Environmental Protection.

Once the contract is awarded, the performance of the supplier is monitored through the “Vendor rating” model, which monitors aspects such as health and safety monitoring, compliance with labor obligations, and quality of the work performed, among other aspects. In the area of Human Rights, Enel Group provides specific contractual clauses to respect and protect internationally recognized Human Rights from its contractors, as well as respect for ethical and social obligations in terms of: protection of

women and children’s work; equal treatment; prohibition of discrimination; freedom of association and representation; forced labor; safety and environmental protection; sanitary conditions; and also regulatory, remunerative, contributory, insurance, and taxation conditions.

To strengthen and reinforce these practices, Enel Group issued an Organizational Procedure and Operating Instruction in 2017, guidelines that complement the “Integrity Requirements” required of any service provider, specifying the procedures to verify the legal requirements and reputation of the suppliers.

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In 2017, 1,135 contracts with supplier companies included clauses on respect for Human Rights.

In 2017, 47% of new suppliers were evaluated according to social criteria.

Actions such as these allow us to work with those candidates who have the human and technical resources to meet the needs of Enel Chile, and who also have policies and practices in line with the company's codes and values.

Management of Critical Suppliers

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Enel Global Procurement is the division of Enel Group that handles global supply for the company. This unit allows the different companies of the group to share specific skills and experiences to respond in an agile and appropriate manner to the needs of the business.

This organization operates under a model based on an acquisition process, which, although it is strictly defined, is flexible enough to incorporate the specific characteristics of each provider. This allows suppliers to contribute to Enel's portfolio of solutions based upon their individual traits and characteristics.

Critical suppliers are those that participate in processes related to Enel's main

business activity, that is, those that provide critical, non-substitutable components, with a high volume of expenditure, and whose management has high risks in terms of labor, environmental, and economic safety.

Enel Group created the Supplier Qualification System to manage these contracts and monitor the work of critical suppliers. The Supplier Qualification System aims to select suppliers of works, goods and services, who are capable of guaranteeing an adequate level of quality and reliability when awarding bids in the energy sector. All qualified providers are monitored continuously during the validity period of the qualification.

Enel Chile, following the Group's guidelines, conducts a risk assessment on 100% of its Tier 1 suppliers, corresponding to those companies with which Enel Global Procurement has signed a contract for a value equal to or greater than 25,000 euros. Of the total of the 654 suppliers identified in this category, 92% have been considered critical in relation to their strategic position in relation to the company's business. In 2017, a detailed analysis of all the sectorial groups was completed in order to identify risks associated with each category. The main risks identified were: economic, environmental, social, and reputational.

Social aspects evaluated	2017	2020 Goal
Security	47%	100%
Environment	47%	100%
Human Rights	47%	100%

“Gestores” Program

Gestores is a program that trains a group of company professionals to train workers and contractors with whom they interact, providing updated information on key aspects of Enel’s operations.

The program’s role is critical for employee development, detecting training needs, and generating a positive work environment, where creativity and empowerment of all workers are actively promoted.

Work Climate Program for Contractor Companies

This program seeks to improve the working environment of contractor companies, strengthening the link with Enel Chile, through the following measures:

- > Measuring the work climate through surveys and focus groups.
- > Delivering results to contract management areas and contractor companies.
- > Generating a plan of action focused on the results of the survey.
- > Monitoring action plans to manage the climate.
- > Carrying out intersectional activities financed and coordinated by the principal company for contractors.

The work climate of contractor companies is measured in 14 dimensions, providing information about the individual contractors’ degree of job satisfaction with their employers. The most relevant dimensions in the general perception of climate are “Teamwork,” “Development,” “Recognition,” “Management’s Vision,” “Interpersonal Environment,” “Communication,” and “Risk Prevention.”

In 2017, the action plans that each contractor company established based on the results of the survey, along with the development of intersectional activities, were implemented. In the case of the

distribution business, three theater plays were created and performed, with the goal of helping the assistant contractor understand that “climate is everyone’s responsibility.” In the case of companies that showed low results in the field of leadership, group coaching sessions were offered to supervisors.

For its part, the generation branch performed plays in seven power plants, the objective of which was to improve the dimensions with lower results in the surveys.

	Results 2017			Results 2016			Results 2015		
	Enel Generación Chile	Enel Distribución Chile	Chile	Enel Generación Chile	Enel Distribución Chile	Chile	Enel Generación Chile	Enel Distribución Chile	Chile
% satisfaction	68.25%	62.32%	59.69%	78.6%	76.4%	77.5	81.4%	75.9%	78.7%
Number of workers surveyed	339	1,050	115	482	1,751	2,233	232	1,806	2,038
Number of contractor companies represented	4	9	4	16	13	29	9	13	22

Accreditation of Labor Competencies

The Accreditation of Labor Competencies for Contractor Companies program seeks to define the key profiles of each service linked to the business, and then evaluate the workers associated with said profile in order to identify those who meet the performance criteria through accreditation.

Contractor workers who do not achieve accreditation must participate in a training program to close the gaps and must try for accreditation in a reevaluation.

In 2017, work was mainly carried out on the adjustment and improvement of

some profiles and on the evaluations of the contractor personnel. 485 workers in total were evaluated this year, resulting in a total of 391 accredited workers.

Qualification Practices and Supplier Selection

Enel Group companies select their suppliers through a screening system that allows them to count on goods and services from companies that share the values, vision, and practices of Enel. This alignment reduces operational, health and safety, environmental, and reputational risks.

Among the tools utilized are:

Vendor Rating

Vendor Rating is a supplier evaluation system that collects information in a systematic and objective way regarding

the performance of the supplier during the acquisition and execution phases of service, evaluating the quality of the

goods or services supplied, the compliance with deadlines, and the safety of the operation.

Qualification of Suppliers

This is a system that evaluates economic, financial, reputational, and technical aspects and that employs a specific evaluation in the area of sustainability, which includes aspects such as occupational health and safety, environmental compliance, and respect for Human Rights. The sustainability evaluation has different levels of depth of analysis, according to the type of attributed risk. This integration of

sustainable criteria allows us to investigate matters such as compliance with ISO 14001, OHSAS 18001, ISO 14067, use of green vehicles, waste management, and other matters, such as work practices.

Occupational health and safety is a top-priority issue for the company. For this reason, contractors and suppliers are

evaluated for compliance with the safety of work and services, compliance with environmental standards, compliance with methods and work organization, compliance with the use of personal protection elements (PPE), compliance with machinery and systems, and compliance with company regulations, among other criteria.

Human Rights Policy

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Enel Chile's Human Rights Policy governs both its own workers and its contractors, and through it various initiatives have been developed to ensure a working climate in which respect for diversity and equal opportunities are of primary

importance. The company firmly rejects all forms of discrimination, and has the necessary procedures to prevent and denounce actions that put human integrity and dignity at risk.

During 2017, 47% of Enel Chile's operations were evaluated in terms of impacts on Human Rights, while 100% of the investment agreements included clauses about this matter.

4.7 Environmental Sustainability



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Because protection of the environment is a pillar of Enel Chile's strategy, its companies have focused their efforts on continuous improvement through a permanent search for efficiency in their processes and products, incorporating state-of-the-art technologies. Its objective is not only to comply with regulations and reduce the company's environmental externalities, but also to serve as a custodian of the environment surrounding its operations.

The environmental aspects of Enel Generación are managed in the plants through the HSE & Q area, which manages the issues of health, safety, environment, and quality in each power plant and business unit. During the year, action plans that were established in 2016 were implemented, and the process of standardization of environmental practices was carried out to ensure compliance with these practices according to the Enel Group standard.

For its part, Enel Distribución manages its operations, taking care of the environmental impacts of its operations, and designing mitigation plans in line with the provisions of its Integrated Management System Policy (SIG) and ISO 14001. In order to ensure good practices and identify eventual gaps, Enel Distribución is audited by a certification agency. In the last period it was the Bureau Veritas company.

2017 Milestones in Environmental Management, Enel Generación

San Isidro

- > During 2017, the San Isidro thermoelectric power plant, located in the Valparaíso region, followed through with work plans to gain flexibility in the water supply, as a result of the quality issues that have occurred in its own wells, which are used for cooling purposes. In March 2017, the Environmental Impact Statement (EIS) of the project "Optimization of Water Systems and Provision of RILES at the San Isidro Plant" was presented to the Environmental Impact Assessment System (SEIA, its Spanish acronym). The goal of the plan is optimizing the water resources of the San Isidro plant through a water recovery system, which recovers water used for the cooling towers of both units, in order to reuse the water in the cooling process. During 2017, a new dilution flow for discharging into the river and new alternative water supply wells for this plant were also obtained

Bocamina

- > On June 5, 2017, the final acceptance of the northern coal gathering area dome was granted, and the construction of the southern dome began. Additionally, the pilot project of transmitting real-time emissions data from the Bocamina I plant to the Superintendency of the Environment (SMA) began. The Bocamina I plant is the first plant in the country to initiate this connection with the Superintendency.
- > The work done to fulfill the Coronel Environmental and Social Recovery Program (CRAS Coronel) was completed. The company participated in this project together with the community, regional authorities, and other companies in the sector. The result of this joint work is a plan for environmental and social measures that must be permanently implemented in the municipality.

2017 Milestones in Environmental Management, Enel Generación

Laja Hydroelectric Plants

- > A new common warehouse with an area for storing hazardous substances was completed. This will comply with D.S. No. 43/2016 from the Ministry of Health.

Maule Plants

- > The Sanitary Authority approved a new hazardous waste management plan, which complies with the provisions of D.S. No. 148, "Sanitary Regulation of Hazardous Waste," (Resolution No. 0764 of the Health Authority). (Page 126 of the Report).

Ralco Hydroelectric Plant

- > In January, Enel Generación Chile and Universidad de Concepción implemented a reforestation plan of 700 hectares with native tree species.
- > In March, Enel Generación Chile officially delivered to the community of El Barco (Alto Bío Bío community), its ancestral cemetery, site 53. This was a commitment by Enel for the construction of the Ralco Hydroelectric Plant. Additionally, during this month, the mayor of the municipality of Bío Bío, Nivaldo Piñaleo, was given a thematic map with the identification of the patrimonial sites of the municipality to be exhibited in a local museum. The map includes 3,000 polyptychs in three languages (Spanish, English, and Chedungun). This activity corresponds to the dissemination of the "Project of Identification and Protection of Heritage Sites Project," which is one of the five compensatory measures established by the environmental authority in 2006.
- > In April, the construction of the Lonquimay bridge was completed, one of the construction works established in the Environmental Qualification Resolution of the Ralco hydroelectric plant, which provides access to the Barrio Nuevo community in Lonquimay.
- > In relation to the restoration of dumps and arid deposits used during the construction of the Ralco plant, 18.9 hectares were planted with a total of 35,000 native plants.

2017 Milestones in Environmental Management, Enel Distribución

- > Measurement plan for environmental variables. In order to ensure compliance with current environmental regulations, Enel Distribución implemented an annual program to monitor environmental variables:
 - Noise measurement in substations.
 - Noise measurement in projects with environmental qualification resolution -RCA.
 - Measurement of electromagnetic fields in transmission lines and substations.
- > Execution of the last annual birdlife and fauna monitoring in the Pie Andino area, a commitment of the Environmental Qualification Resolution of the Chicureo line TAP project. It was emphasized that the fauna in the area have not been affected by the transmission line of the project.
- > Enel contractors delivered their environmental plans to the company for the first time. These plans establish the main environmental activities the contractors must carry out during the year.
- > 144 environmental inspections were carried out on contractors' projects in 2017. These audits serve to evaluate operational controls in the work performed by contractors, as well as measuring their compliance with environmental procedures and regulations.
- > Environmental performance control consists of monitoring and following up on the environmental action plans created by contractors as a result of the aforementioned inspections. Environmental action plans are created to address any irregularities detected during inspections. Three action plans developed by contractors were examined, as well as plans for two of Enel Distribución's own facilities.
- > Control program for contractors' warehouse facilities. Semiannually, Enel Distribución audits the warehouse facilities of contractors, ensuring that they comply with established standards and procedures in current legislation.
- > Contract Initiation Audits. Six contract initiation audits were carried out in order to verify the new contractors' environmental compliance in their operations and facilities.
- > The following actions were performed for asbestos removal at Distribution facilities:
 - 437 cameras were deployed to remove 4,534 kilos of flame-retardant asbestos tape. This constitutes 96% fulfillment of the removal plan.
 - 11 power substations with asbestos roofing material were identified, and a removal plan was created.
- > Environmental Issues Awareness. Activities to disseminate awareness of environmental issues were developed in the following areas: environmental celebration days (Environment Day and International Noise Day), operational control, care for import packaging and wrapping, results of electromagnetic field measurements and noise measurements, and information about the environmental emergencies during the year.

Green Taxes

The Article 8 of Law 20780, a part of the Tax Reform, establishes an annual tax on CO₂, NO_x, SO₂, and PM emissions produced by establishments whose fixed

sources have a thermal power greater than or equal to 50 MWt. For the operation year our plants paid a total amount of CLP\$16,437,440,924 in green taxes,

73% Enel Generación Chile and 27% Gas Atacama Chile, respectively.

Environmental Management System

102-11 103-2 103-3

Enel Chile, through its generation and distribution subsidiaries, has an Integrated Management System that includes environmental management, occupational health and safety management, and quality control management of processes related to services developed by the company. The System addresses aspects such as planning and control of activities and processes, review and compliance with legal requirements, practices and responsibilities, management of standardized documents, available resources, as well as addressing the people involved and their training. This allows the company to design and execute improvement plans in its operational processes and in its service area.

Considering the multi-site implementation of the Integrated Management System (IMS) for all Enel Generación's facilities in 2016, during 2017 work focused on preparing for the version changes of ISO 9001 and 14001 (2015), to be implemented in 2018. These changes mainly relate to the risk management, with emphasis on integrating context analyses with internal and external stakeholders, and lifecycle management for ISO 14001.

Certification was maintained in 2017, with audits of the Group in other countries and the external audit of Chile's operations is expected by 2018, according to the new ISO versions.

Enel Distribución Chile obtained ISO 14001 (Environment) recertification during 2016, a successful process in which the whole company participated. In 2017, a new process of recertification for the new version of the ISO Standard began. It should be noted that after this process, the Energy Management Systems certification will also be incorporated, based on the ISO 50001 standard. Both certifications will be held in June 2018.

Management of Environmental Variables

Water Management

103-2 103-3 303-2

Hydroelectric plants mainly use turbined water, that is, water that passes through turbines to generate electrical energy, which is then returned to its origin without loss of volume and without modification of its physical-chemical characteristics. This resource comes from surface sources, mostly reservoirs. In the case of thermoelectric plants, the water

is taken from the sea or from wells, according to the maritime concessions or the water rights that the company has. Water is mainly used for cooling systems, after which it is returned, almost entirely to its original source (a small percentage is released into the atmosphere in a vapor state, without contaminants).

In the case of water discharged into the

sea or rivers, Enel Generación executes a control of its physical-chemical parameters, as required by D.S. No. 90/00. The main parameter that can be modified by the operation of thermoelectric plants is the temperature, since the highest amount of water consumption is used for refrigeration.

Plants	(millions of m ³ , Hm ³)	2015	2016	2017
Thermoelectric	Process	1.9	6.8	6
	Refrigeration	480	763	697

In the case of Enel Distribución Chile, the impact of water management is lower due to the type of operations. The company's facilities are connected to drinking

water distribution networks, and its consumption is considered domestic. Therefore, the company participates in the processes of recovery and treatment of

water implemented by health firms that provide this service in the company's service area.

Input	2015	2016	2017
Water (m ³)	83,785	74,175	76,232

Gestión de cuencas hidrográficas

303-1 | 303-3

During 2017, the San Isidro thermoelectric power plant, located in the Valparaíso region, maintained work plans related to achieving necessary flexibility in water supply, a product of the quality that has been generated in their own wells and that is used for cooling purposes. In March 2017, the environmental Impacts Statement (DIA) of the project "Optimization of water supply systems and the disposition of RILES Central San Isidro" was presented to the Environmental Impact Assessment System (SEIA). The objective is to optimize the use of the water resource of the San Isidro plant through a system of water recovery from the cooling towers of both units to improve its quality and to be reused in the cooling process. This will be done through a Zero Liquid Discharge Plant or "ZLD Plant" that has two treatment modules. At the same time, the company is diversifying its sources through the incorporation of additional forms of supply for water resources, in addition to the water from its own wells, and an increase of the discharge flow to the river, among other aspects. The resolution of this project is expected in the first quarter of 2018.

During this period, a new dilution flow was also obtained for river discharge and new alternatives for water supply wells were also obtained. On December 20, 2017, the General Water Directorate of Chile (DGA for its Spanish acronym) authorized the change for alternative groundwater collec-

tion points, allowing the plant to have greater flexibility to source raw water. On the same date, Enel's request to increase the month's dilution flow was accepted, which gives greater flexibility for complying with emission limits in the discharge of wastewater to the Aconcagua River.

In 2017, the first part of the "Pilot Study of Environmental Flow of the Maule and Laja Rivers" was developed, a project led by the company with the purpose of having technical support and a well-founded opinion against possible changes to the Water Code that are being analyzed in the Chilean National Congress.

Rapel Hydroelectric Power Station, Located in the Lower Basin of the Rapel River The elevation level of 104 of the reservoir was maintained during the summer season (December to February), in order to allow tourist and recreational activities established in this body of water to proceed normally.

Cipreses and Isla Hydroelectric Power Plants, Located in the Upper Maule River Basin: Enel Generación Chile participated as a guest in numerous sessions of the Maule River Surveillance Board (irrigators), events that fostered a better climate of trust among the different actors, as well as working on the possible incorporation of the company into that organization. Additionally, the subsidiary Pehuenche S.A. col-

laborated through the signing of an agreement with the Canal Melado Association, so that the irrigators could realize an optimization of their water volumes destined for irrigation, through the use of the Colbún (owned by third parties) and Melado reservoirs (owned by Pehuenche SA).

Hydroelectric Power Stations Abanico, El Toro and Antuco, Located in the Upper Basin of the Laja River: Enel Generación Chile actively participated in the "Water Tables," an event in which regional authorities, the DOH (Spanish acronym for the Hydraulic Works Directorate), the irrigators, and the company participated. Its objective is to find a new way of relating to the users and to obtain an agreement for extractions from the Laguna del Laja, that allows for sustaining the resource in the long term. In this context, efforts are being made to achieve a definitive amendment to the Laja river regulation agreement, signed between Endesa Chile and the then Irrigation Department, now DOH, in 1958, as well as the creation of a Surveillance Board. While the final modifications are in process, Enel Generación Chile and the DOH signed an agreement for the flexibilization of extractions, effective between 2016 and 2017, which was ratified and signed by the representatives of the Irrigators, the DOH, the Minister of Agriculture, the Minister of Energy, and the Government Official(s) of the Biobío Region.

Fuel Consumption

301-1 302-1 103-2 103-3

As part of the production process of Enel Chile's thermoelectric generating plants, the main input is fuel, and in 2017 natural gas accounted for 52% of total fuels consumed, followed by coal, with 43%. The following table presents the total consolidated consumption:

Consumption of Enel Generación Chile		Period	Consumption
Total fuel consumption	Mtep (Millions of Tons Equivalent to Petroleum)	2015	1.33
		2016	1.73
		2017	1.55
Coal	Mtep (Millions of Tons Equivalent to Petroleum)	2015	0.37
		2016	0.76
		2017	0.67
Lignite (brown coal)	Mtep (Millions of Tons Equivalent to Petroleum)	2015	0.00
		2016	0.00
		2017	0.00
Fuel oil	Mtep (Millions of Tons Equivalent to Petroleum)	2015	0.00
		2016	0.0002
		2017	0.002
Gas oil	Mtep (Millions of Tons Equivalent to Petroleum)	2015	0.24
		2016	0.21
		2017	0.07
Natural Gas	Mtep (Millions of Tons Equivalent to Petroleum)	2015	0.72
		2016	0.77
		2017	0.81

Input Consumption of Enel Distribución Chile

Input	2015	2016	2017	Observations
Fuels (l)	68,345	60,783	99,023	Considers the fuel used for the backup generator of the installation at Pedro Aguirre Cerda and fuel consumption of the vehicle fleet of Enel Distribución Chile.

	2015	2016	2017
Electricity purchased from third parties (MWh)	16,785,000	16,803,245	17,383,654

CO₂ Footprint

103-2 103-3 305-1 305-2 305-3

Enel Distribución quantifies its CO₂ footprint using a methodology developed by the Greenhouse Gas Protocol (GHG Protocol). The main emissions correspond to scope 3, produced by the sources generating the energy acquired by the company to sell it to customers.

Emissions (tCO ₂ e)	2015	2016	2017
Scope 1	3,730	4,805	4,288
Scope 2	2,161	2,790	802
Scope 3	5,166,439	6,206,491	6,901,311

2017 Scope 1 emissions have been estimated based on historic data.

Waste Management

103-2

103-3

306-2

The company manages its waste according to the applicable environmental regulations and the provisions of its Integrated Management System (IMS). This involves the temporary storage of non-hazardous waste in salvage yards, and of hazardous waste in temporary storage warehouses (BAT, its Spanish acronym), both sanitarily authorized. The withdrawal and final disposal is performed by specialized companies and authorized by the respective health authority.

During 2017, the Bío Bío regional Environmental Assessment Service (SEA for its Spanish acronym) responded positively to the company's question regarding the submission of the new final disposal and ash valuation sites of Bocamina Power Plant to the Environmental Impact Assessment System (SEIA for its Spanish acronym).

This will allow for greater flexibility in relation to the ashes without the need to build a new landfill.

Additionally, the construction of a new common warehouse with storage area for hazardous substances in the Laja Hydraulic Power Plants was completed, in compliance with the D.S. No. 43/2016 of the Ministry of Health. Approval was obtained from the Health Authority for a new hazardous waste management plan for the Maule Plants complying with the provisions of Supreme Decree (D.S.) No. 148, "Sanitary Regulation on Hazardous Waste Management" (Res. No. 0764 of the Health Seremi).

Enel Generación Chile

Waste Generated (t)	Type of Plant	2015	2016	2017	Treatment Method
Hazardous Waste	Thermoelectric Plants	235	1,020	1,103	Of the total hazardous waste generated, 20 tons from the Bocamina Thermoelectric Plant were recycled in third-party facilities.
	Hydroelectric Plants	66	70	88	
	Wind Power Plants	4	3	24	
	Total	305	1,093	1,215	
Non-Hazardous Waste	Thermoelectric Plants	434	1,845	12,341	Regarding scrap management, the Bocamina Thermoelectric Plant has accumulated a total of 300 tons pending the completion of its sale, while the Atacama Thermoelectric Plant and the Taltal Thermoelectric Plant recovered 64.5 and 40.5 tons, respectively.
	Hydroelectric Plants	607	195	407	
	Wind Power Plants	0	0	27	
	Total	1,041	2,040	12,775	
Inert Waste	Thermoelectric Plants	106,116	205,570	169,525	In the management of inert waste, the Bocamina Thermoelectric Plant recovered more than 15 thousand tons of fly ash.
	Total	106,116	205,570	169,525	



Enel Distribución

Generated Waste	Type of Waste	Unit	2015	2016	2017	Manner of Managing Waste
Hazardous Waste	Asbestos	t	3	9.6	4.5	Asbestos retirement plan.
	Batteries	t	4.25	0.8	0	Final provision authorized
	Equipment contaminated with PCB	Unit	1	0	5	Final provision authorized
	Materials contaminated with hazardous substances	t	9.29	4.1	5.2	Final provision authorized
	Batteries	t	5.51	3.2	4.19	Final provision authorized
	Fluorescent tubes and other waste that contains mercury	t	0.7	0.28	0.28	Final provision authorized
	Toners and cartridges	t	0	0	0	Final provision authorized
	Other hazardous waste	t	5.6	17.7	15.8	Final provision authorized
	Electronic waste	t	15	7	0	Final provision authorized
Non-Hazardous Waste						Provision in authorized landfills or delivery to owners of the land where the work is carried out
	Vegetable remains	t	5,806	7,304	1,374	
	Debris	t	26,483	22,915	25,322	Final provision authorized
	Machinery, equipment, trusses, poles, cables	t	1,640	10,729	11,720	Final provision authorized
	Metallic materials	t	245.3	79.6	293.2	Final provision authorized
	Paper	t	36	38	5	Enel Distribución Chile donates used paper to the Fundación San José

Management of Biodiversity

304-1 304-2 304-3

Enel has a Biodiversity policy at the global level, adopted by all of the Group's companies. The policy was developed to contribute to the goals of the United Nations Convention on Biological Diversity (CBD), and the Plan for Biological Diversity 2011-2020 that contains the Aichi Targets (Goals for biological diversity established by the United Nations Environment Program).

In line with this policy, the company has developed collaborative work with various stakeholders for the conservation of species and natural habitats in the areas surrounding Enel's power plants, as compensation for the impacts that could be caused and preventing a "net loss" of biological diversity. Likewise, it maintains a commitment to refrain from planning activities that may interfere with animal species and their natural habitats, and to compensate for impacts that could be caused.

The commitment includes the development of environmental studies to evaluate the effects of the construction of a new plant on ecosystems and their biodiversity. With this information, the company can avoid operations in areas of high environmental value and can also anticipate measures to eliminate, reduce, or mitigate its impact.

Interaction with Biodiversity

Operational facilities located in, or adjacent to, protected zones	Geographic location	Type of operation	Location of the installation with respect to the protected area	Protected Area
Laja Hydraulic power plants (Abanico, Antuco and El Toro).	Bío Bío Region, Municipalities of Antuco and Pinto	Enel Generación has operational centers in properties adjacent to the Laguna del Laja national park.	Adjacent.	Laguna del Laja National Park (Area: 11,600 ha).
Laja Hydraulic power plants (Abanico, Antuco and El Toro).	Bío Bío Region, Municipalities of San Fabián, Coihueco, Antuco, and Pinto.	Enel Generación has production facilities and offices in this corridor.	Interior (in Ñuble National Reserve).	Biological corridor in Nevados de Chillán - Laguna del Laja, declared as Unesco Biosphere Reserve in 2011 (Area: 565,000 ha). Includes the Ñuble National Reserve, the Laguna National Park of the Laja; the Los Huemules de Niblinto National Reserve and Nature Sanctuary
El Toro H.P.	Bío Bío Region, Municipalities of Pinto and Antuco.	On the Alto Polcura estate (12,500 ha), owned by Enel Generación, the company owns unused projects and constructions. These are associated with the El Toro hydraulic power plant.	Interior.	Ñuble National Reserve (Area 55,948 ha.; creation date: November 1978).
Pangué H.P.	Bío Bío Region, Quilaco County.	The national reserve borders the south bank of the Pangué reservoir.	Adjacent	Altos del Peneque National Reserve (area: 18,855 ha).

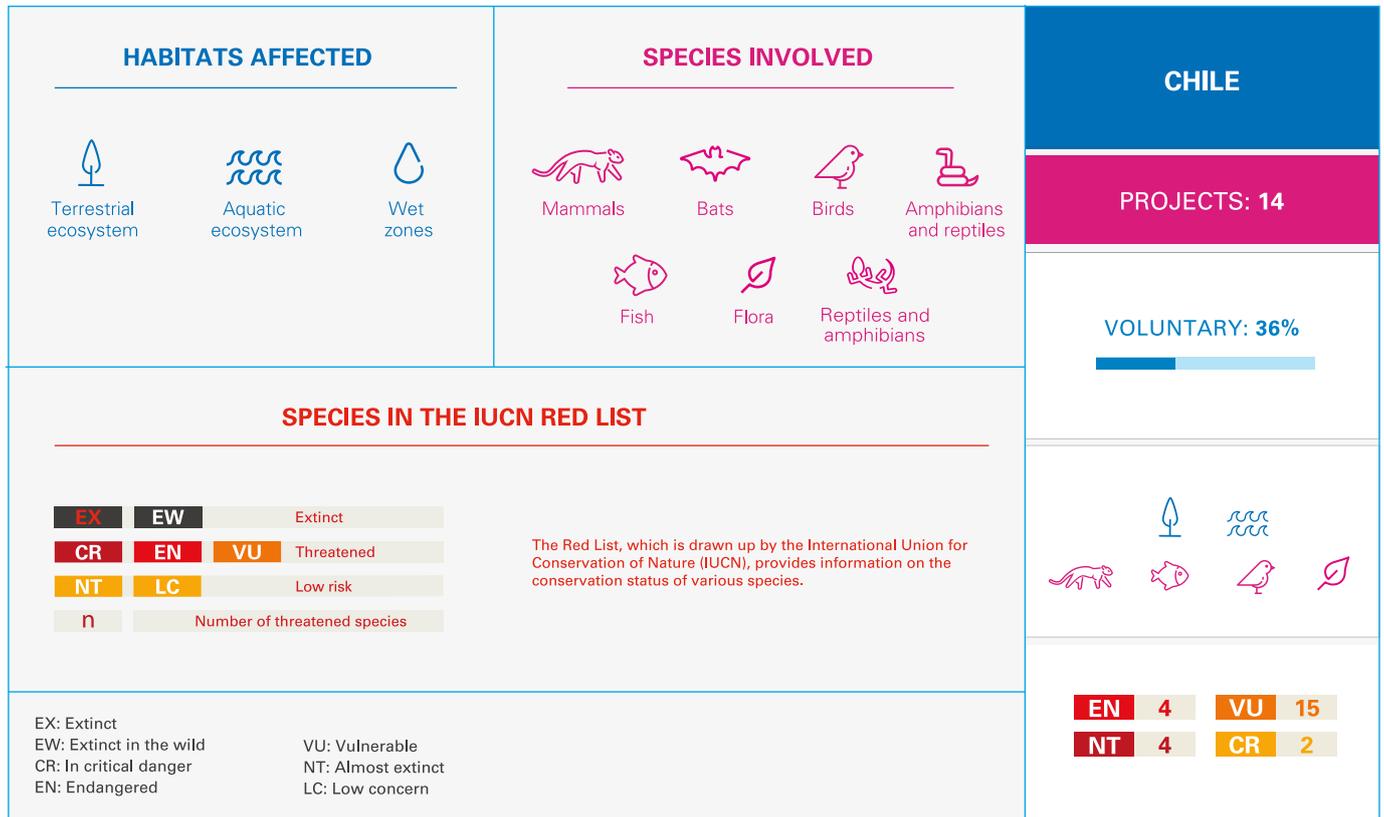
Identification of Threatened Species

304-4

As part of its commitment to biodiversity, Enel identifies habitats that are home to species which are affected by Enel

Chile's operations and that are included in the IUCN Red List or in the records for the conservation of species of the Chil-

ean State.



Environmental Management in Substations and Mitigating Environmental Impact

103-2

103-3

During 2017, Enel Distribución carried out a series of preventative activities in its substations, seeking to verify compliance with current environmental legislation, caring for the environment and employees' health, as well as the overall community of Enel Distribución Chile. They emphasized:

- > Noise measurement in substations.
- > Eleven power substations with roofing installations containing asbestos were identified, for which a removal plan was created.
- > Measurement of electromagnetic fields in substations.
- > Latest bird monitoring established in

the RCA (Environmental Qualification Resolution) of the Electric Transmission Line to the Chicureo Substation of Enel Distribución.

Monitoring of birds on the Transmission Line to Chicureo Substation

Following the commitments made in the Environmental Qualification Resolution (RCA), the most recent bird monitoring was carried out on the electric transmission line to Chicureo Substation, which runs from the El Salto sector, extending through the Los Maitenes, El Bolsón, and Loma Larga during 2017. The transmission line has a total length of 6.20 km.

The monitoring objective is to evaluate the effectiveness of the measures under consideration to protect the local birdlife, to avoid birds' colliding with power lines and being electrocuted. Flight deviators are used for this purpose for birds on the guard wire, between the high voltage towers.

The bird control is carried out by two methods: the field observation of species registered in the Baseline of the Project, as well as the identification of carcasses of birds that could have been affected by collisions with the electric transmission line. As a result of these observations and identification, it should be emphasized that the fauna have not been affected by the operation of the transmission line of the project.

Particulate Material

On June 5, 2017, at the Bocamina Thermoelectric Power Plant, the final reception of the dome for the northern coal gathering area was granted and construc-

tion of the dome for the southern court began. Additionally, the pilot project for transmitting real-time emissions data from Bocamina I to the Superintendence

of the Environment (SMA) was started. Bocamina is the first plant in the country to make this connection.

Environmental Litigation

As of December 31, 2017, 20 legal proceedings were filed for environmental reasons against Enel Generación Chile. There were no such processes for Enel Distribución Chile. In these legal processes, the company is a defendant in 85% of the cases. On the other hand, it is worth mentioning that during 2017 there have been no violations of environmental regulations that have involved fines of over USD\$10,000.

As a part of the company's goal to create shared value, Enel has prioritized resolving conflicts that were the result of the operation of Endesa (currently Enel Generación) in the territories. The company made the following advances with these issues during 2017:

- > The hydroelectric project "Hidroaysén": the company revoked the implementation of the project and is returning water rights that had been assigned by the State for the implementation of the run-of-the-river power plant. There are currently no lawsuits or fines associated with the previous participation of Enel Generación in the project.
- > At the Ralco Power Plant, there is currently an ongoing investigation over compliance with the Environmental Qualification Resolution. It should be noted that the investigation has not resulted in formal charges.
- > At the Palmucho Power Plant, a run-of-river power plant located downstream from the Ralco dam, there are

currently no socio-environmental conflicts or lawsuits.

- > The Central Pangué, located 100 km from Los Angeles, was sued on the damages allegedly caused by a dump to the Bío Bío River in July 2006. However, in June 2016 the Court issued a ruling where it rejected the plaintiff's claim in its entirety. Subsequently, the judgment was appealed by the plaintiff and is currently in the process of being resolved.

4.8 Decarbonization of the Energy Matrix



The Enel Group, as part of its Sustainability Plan, has proposed to dispense the use of coal as an energy source for the generation of electricity. The high levels of pollution generated by the intensive use of this fuel and the Open Power ob-

jective of promoting the use of renewable energies led the Group to make the decision to completely decarbonize Enel's energy matrix by 2050.

This issue is especially relevant for Enel

and its management, who are concerned about dealing with climate change through their operations and asset management. For this reason, the Enel Group has set a goal of 0% emissions by the year 2050.

Energy Context in Chile

Chile, as a member country of the United Nations Framework Convention on Climate Change (UNFCCC), signed the "Paris Agreement," or COP 21, a pact where 194 of the 197 member-states committed to limit the increase in the planet's global temperature by less than 2° Celsius, with the ideal goal of not exceeding 1.5° C. To achieve this, the countries agreed to contribute implementing measures that will reduce the impact of their operations on the environment and that reduce the effects of climate change worldwide, through a plan to control emissions, such as Carbon Dioxide (CO₂), that alter the climate.

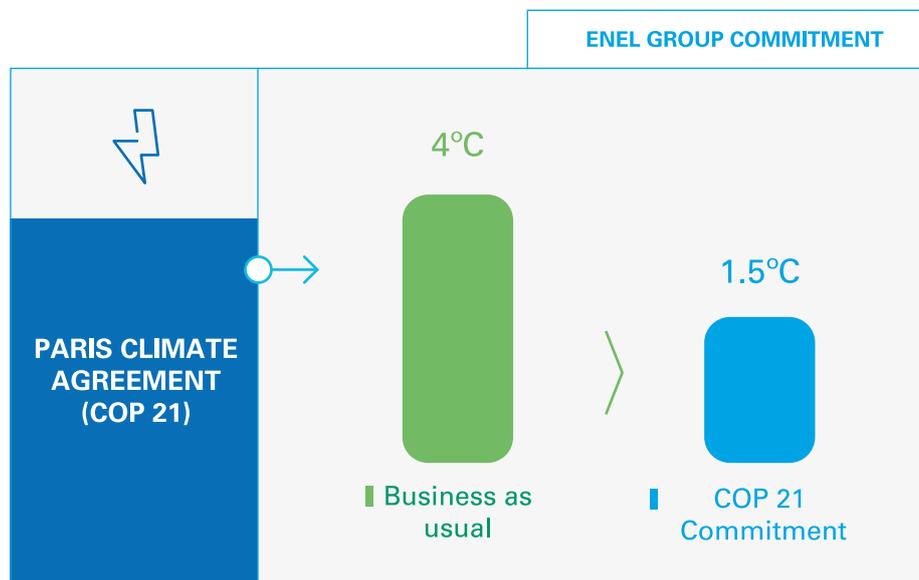
Following this commitment, in the year 2018, Law 20.780 will come into force,

which, among other things, will impose an annual tax on electric generators that have stationary sources in proportion to their pollutant emission. This will affect approximately 40% of electricity generation in Chile and will include all Enel Chile thermoelectric power plants, which are obligated to report their emissions from now on.

In this context, Enel Chile joined these efforts to reduce emissions, and aims to have a completely renewable and carbon-free energy matrix by the year 2050, contributing to the economic and environmental sustainability of the business.

In line with this, the Association of Generators of Chile, in which Enel Chile

participates as a member, announced in 2017 that new thermoelectric power plants that do not have carbon capture and storage systems or other equivalent technologies will not be built in Chilean national territory. This decision includes the creation of a working group that will be coordinated by the Ministry of Energy and a schedule of programmed, gradual cessation of operations of coal-powered plants that do not have the aforementioned capture systems. Thermal generation is expected to decrease to 25% of power generation by 2030, with the other 75% of energy production coming from renewable energy sources.



The Decarbonization Plan of the 2050 Energy Mix

Enel Group's energy mix decarbonization plan is one of the four strategic pillars and seeks to transform the company into an emissions-free generator by 2050. The following goals have been established in order to accomplish this:

Enel Group Goals

- > Reduction of CO₂ emissions by 25% by 2020, compared to 2007 levels.
- > Important investments in the renewable energy sector during the 2017-2019 time period.
- > Research and development of new low-carbon technologies with the Open Power approach.

Enel has proposed a progressive plan on decarbonization that plans for gradual decreases in absolute and specific emissions of CO₂ to reach 0% in 2050, and to switch to 100% emission-free production that year.

Along with this, the Group will confront the gradual disuse of thermoelectric generation plants, for which work on conversion plans for these plants is being carried out. Enel is seeking to find a use for them in the future, or will, alternatively, proceed with the eventual dismantling of the plants, as is happening with the Enel Group plants in Italy.

Enel Group's 2050 Commitments






4.9 Digitalization

The investment in digitalization is a critical issue for the sustainability of the business, specially in terms of improving the operational efficiency of the generation plants and improving offers and services to customers, who are increasingly considered as proactive business actors.

Enel Chile is confident that digital technologies can improve traditional businesses, but they can also discover new market spaces, thus contributing to the value of the wealth of information

available and moving forward with new trends. Responding to the guidelines of the Enel group globally, Enel Chile has focused its management in terms of digitization on strengthening cybersecurity, given the growing use of applications and software along the value chain. One of the main initiatives is the Computer Emergency Response Team (CERT) in Chile, which will be certified in 2018, along with expanded coverage of protected web applications through cybersecurity solutions.

Digitization is part of a strategy, but it requires different tactics at an operational level. In this context, for Enel Distribución, digitization initiatives are focused on customer relations, significantly affecting online channels, smart meters, and new interaction platforms, while at Enel Generación, digitalization focuses on operational efficiency, materializing through projects such as remote-control vehicles and remote operations.

In the Relationship with the Customer

Collections Platform

The year 2017 was characterized by strengthening the current collections platform, implementing important improvements in the different processes of the Activity. The main objectives of the platform are the digitization and the optimization of the average cost of the activity, that is to say, migrating customers from face-to-face channels to digital

channels. The company has worked on expanding the range of collection points to obtain more and various payment locations. In this sense, Enel made an agreement with Servipag, a business offering bill-payment services with many locations, thus increasing the payment points available for Enel customers. Additionally, in the commercial office of

Universidad de Chile, Autopayment was implemented, giving our customers the possibility of making payments with credit or debit cards, by means of fingerprinting or by scanning bills/invoices. Autopayment is expected to roll out to the rest of the commercial offices of Enel Distribución this year.

Operational Efficiency

Medium-Voltage Quality Plan

The automation of the Distribution Network corresponds to one of the fundamental axes in the Quality of Service and Operational Efficiency strategy, aimed at minimizing the impact on our customers and on quality indicators of events that affect the continuity of the service. Under the Automation Plan that began in 2016, during 2017 the following objectives were successfully achieved:

- > Nearly 1,500 units of remote-controlled equipment, operated from the control center, were put into operation. In 2017, more than 300 new pieces of equipment were incorporated into the system, involving 145 feeders in total. This represents a new historical record in our company, condensing into 1 year what would normally be 3 years' worth of work installing remote-controlled equipment.
- > Integrated, consolidated, and unified the operation of the terrain equipment in the new SCADA STM Platform ("TM Remote Control System"). The digitization of all the Medium-Voltage feeders in STM, and the operational transfer of the existing equipment in the field from the old SCADA Spectrum to the STM system were finished in this manner.

Investments

Investment in quality of supply reached CLP\$11 billion. Primarily, selected feeders were reinforced according to the quality plan.

Additionally, the automation of the MV network was emphasized, where 320 new pieces of equipment were incorporated into the remote control of the Medium-Voltage (MV) network, together with necessary network adaptations, in an accelerated work plan that condensed the normal activity of six years into one year. This allowed the company to increase

operative remote-control equipment to 1,500 units, all controlled from the Operation Center of the Network. At the same time, the integration, consolidation, and unification of the Operation of the terrain equipment towards the new SCADA Platform STM (Medium-Voltage Remote Control System) was accomplished by digitalizing all the Medium-Voltage feeders in this new platform.

At the level of telecommunications infrastructure dedicated to Remote Control, the operational capacity of the telecom-

munications infrastructure (coverage and availability) was also strengthened by increasing the base radios of the DMR platform (Digital Mobile Radio) from 3 to 5 and by the implementation of the last update stage to 3G or DMR radio of the communication devices installed in Remote-Control MT equipment. The tools for monitoring and managing the 3G (ATLAS) and DMR (Shiny Server) links were also strengthened.





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Limited Assurance Statement of Enel Chile Sustainability Report 2017 (free translation from the original in independent spanish)

To the President and Directors
Enel Chile

Scope

We have performed an independent limited assurance engagement on the information and data presented in Enel Chile 2017 Sustainability Report.

Preparation of the Sustainability Report is the responsibility of the Management of Enel Chile. The Management of Enel Chile is also responsible for the data and affirmations included in the Sustainability Report, definition of the scope and management and control of the information systems that have provided the reported information.

Standards and Assurance Procedures

Our review has been performed in accordance with the International Standard on Assurance Engagements ISAE 3000, established by the International Auditing and Assurance Board of the International Federation of Accountants and the version GRI Standards of the guidelines for the preparation of sustainability reports under the Global Reporting Initiative (GRI).

We conducted our assurance procedures in order to:

- Determine whether the information and data presented in the 2017 Sustainability Report are duly supported by evidence.
- Verify the traceability of the information disclosed by Enel Chile in its Sustainability Report 2017.
- Determine whether Enel Chile has prepared its 2017 Sustainability Report in accordance with the Content and Quality Principles of the GRI Standards.
- Confirm Enel Chile self-declared "Core" option of the GRI Standards to its report.

Work Performed

Our assurance procedures included enquiries to the Management of Enel Chile involved in the development of the Sustainability Report process, in addition to other analytical procedures and sampling methods as described below:

- Interviews with key Enel Chile personnel, in order to assess the 2017 Sustainability Report preparation process, the definition of its content and its underlying information systems.
- Review of supporting documents provided by Enel Chile.
- Review of formulas and calculations by recalculation.
- Review of the 2017 Sustainability Report in order to ensure its phrasing and format does not mislead the reader regarding the information presented.

Our Responsibility

Our responsibility is limited to the procedures mentioned above, corresponding to a limited assurance which is the basis for our conclusions.

Conclusions

Subject to our limitations of scope noted above and on the basis of our procedures for this limited assurance of Enel Chile Sustainability Report, we conclude that nothing has come to our attention that would cause us to believe that:

- The information and data disclosed in Enel Chile 2017 Sustainability Report are not presented fairly.
- Enel Chile 2017 Sustainability Report has not been prepared in accordance with the GRI Standards for the preparation of sustainability reports under the Global Reporting Initiative.
- Enel Chile self-declared "Core" option does not meet the GRI Standards requirements for this option.

Improvement Recommendations

Without affecting our conclusions as set out above, we have detected some improvement opportunities for Enel Chile Sustainability Report 2017, which are detailed in a recommendations report presented to Enel Chile Administration.

Truly Yours,

EY Consulting SpA.

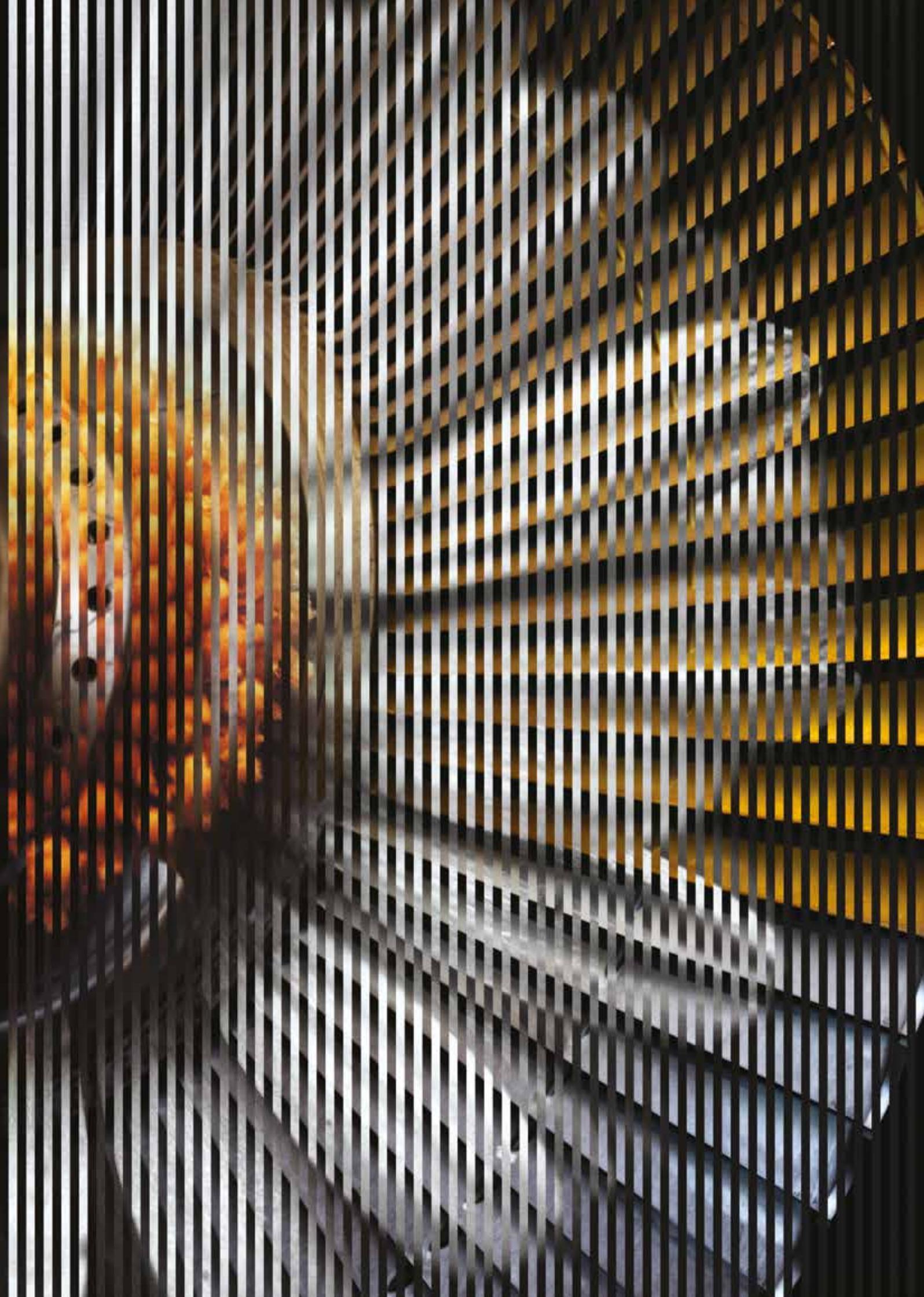

Eduardo Valente Neto
PI Chile Leader

April 06th 2018

I-05402/18
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05

Appendices



GRI Index

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GRI Index with material themes with links to the COPs.

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The People of Enel Chile			
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Additional environmental information

Details	Unit	2015	2016	2017
Non-renewable fuels (nuclear fuels, coal, oil, natural gas, etc.) purchased and consumed	MWh	15,467,900	20,119,900	18,026,500
Renewable energy (biomass, solar, wind power, hydro, etc.) purchased or generated Enel Generación	MWh	11,980,000	9,185,000	9,781,000
Non-renewable energy (electricity and heating and cooling) produced Enel Generation.	MWh	6,314,000	8,379,000	7,292,000
Total Generated Energy Enel Generation (discounted own consumption and losses).	MWh	18,294,000	17,564,000	17,073,000
Non-renewable electricity purchased	MWh	5,264,000	6,125,000	6,283,000
Average losses of the distribution network	%	-	5.3%	5.1%
Public water system supplies (or other water services)	MMm ³	-	-	-
Surface fresh water (lakes, rivers, etc.)	MMm ³	-	-	-
Fresh underground water	MMm ³	1.16	5.70	5.4
Desalinated sea water	MMm ³	0.80	0.90	0.6
Total water consumption	MMm ³	1.96	6.60	6.00
Wastewater (Used in plants)	MMm ³	0.00	0.00	0.00
Wastewater (Volume discharged)	MMm ³	1.50	2.50	2.70
Direct NOx emissions	Ton	8,972	7,823	6,130
Direct SOx emissions	Ton	4,706	4,156	2,734
Direct emissions of dust	Ton	170	180	119
Environmental expenses and investments	MMCLP	-	35,495	18,709



Questions and suggestions can be sent to

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