

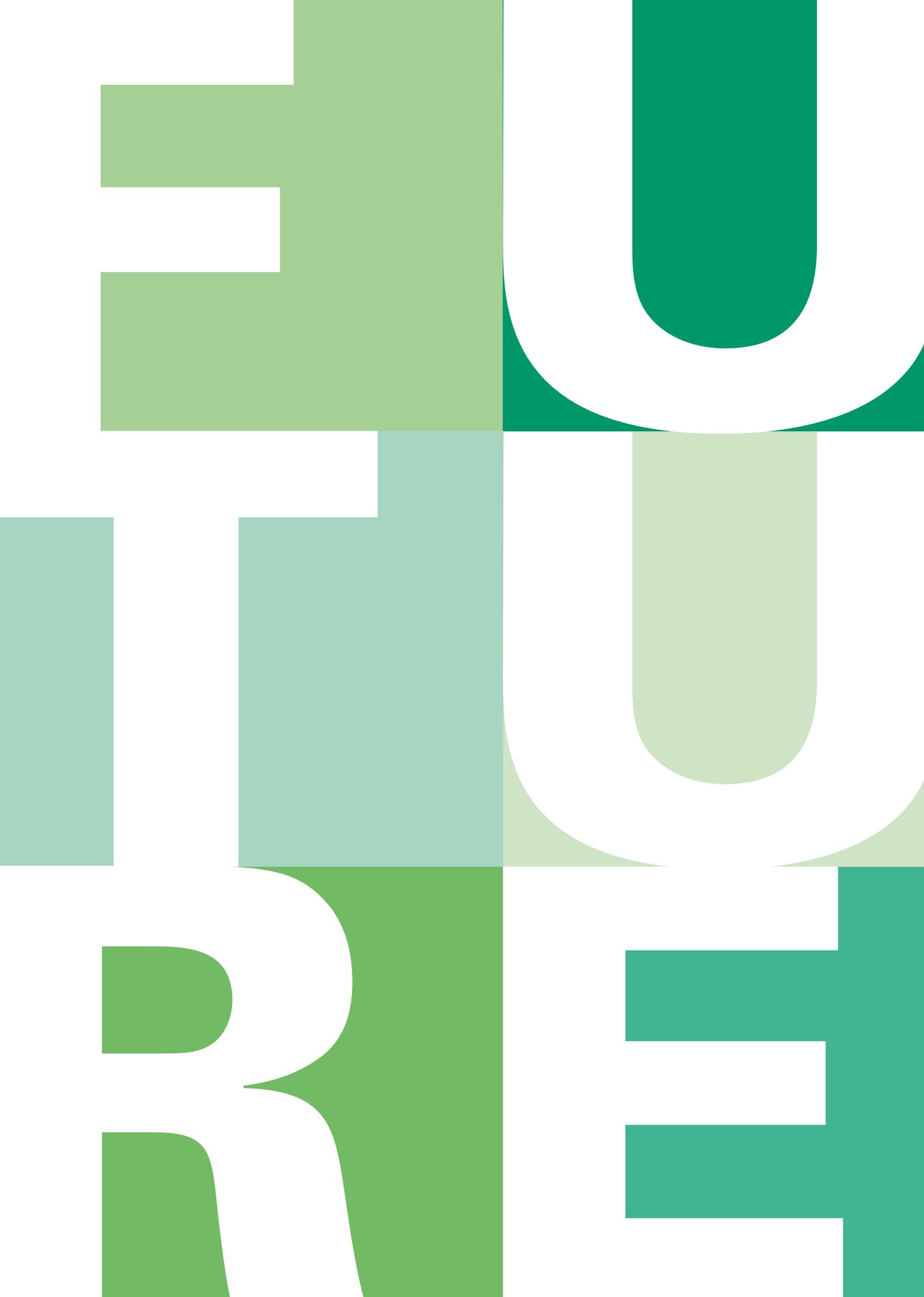


# OPEN POWER FOR A BRIGHTER FUTURE.

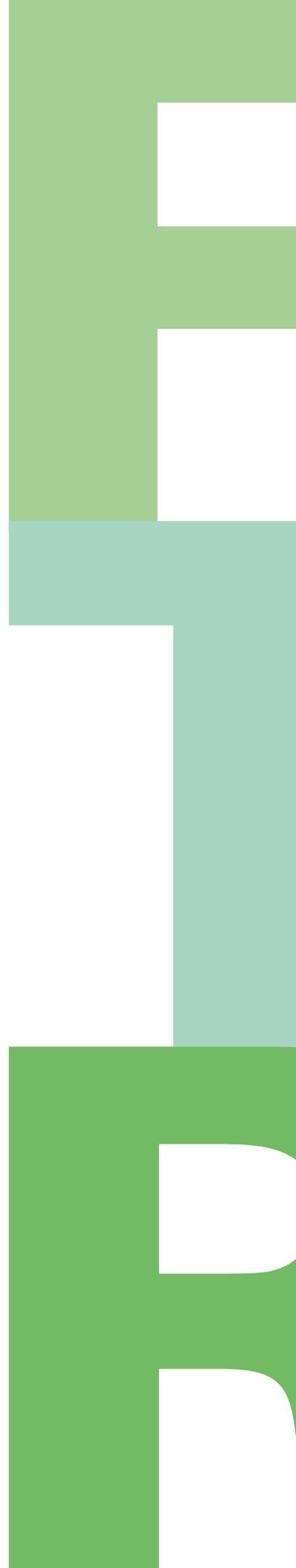
WE EMPOWER SUSTAINABLE PROGRESS

SUSTAINABILITY REPORT 2019  
ENEL CHILE





SUSTAINABILITY  
REPORT 2019



**“Open Power for a brighter future. We empower sustainable progress”; this is the purpose that moves us and drives our commitment with the country’s sustainable development. We believe we have an undeniable role in Chile’s energy transition and have assumed such commitment as our own.”**



# Letter to our Stakeholders

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Over the last few years, our work has focused on integrating sustainability into our business strategy to become relevant players in the sustainable development of the country. “Open Power for a brighter future. We empower sustainable progress” is the purpose that drives us, and that guides each and every one of our business lines and subsidiaries in creating sustainable value for the company and for all stakeholders.

During 2019, we prioritized renewable power generation, which represented 66% of the total electricity generation. Additionally, we set about to promoting electric mobility and electrification of our clients’ energy consumption, making significant investments in infrastructure, networks, and digitalization of all our processes. This, seeking to respond to new market demands and to provide a quality service to our 1.9 million customers. We consider our role in the country’s energy transition to be undeniable. We have made the energy transition commitment our own. Our position as the main operator of renewable energy

sources in Chile over the past five years is proof of this commitment. We currently provide 43% of renewable generation to the national energy matrix. We have 1.2 GW wind, photovoltaic, and geothermal installed capacity which will increase 2 GW by 2022.

Simultaneously, during 2019, we complied with our commitment to the decarbonization of the country’s energy matrix. We signed an agreement with the Chilean Government to progressively shut down all our coal fired thermoelectric power plants. In 2019, we anticipated the retirement of the Tarapacá power plant. This milestone was carried out adopting the principles and criteria of a just transition, which offers an approach to face the impact of the closure of the power plant on our people and the community and seeks to provide alternative opportunities that create value for everyone.

All the above reflects the way our Company strives to provide value to shareholders, stakeholders, and

society as a whole through its business. We contribute to the Sustainable Business Goals related to innovation, infrastructure, and sustainable cities and communities, which in turn are intrinsically linked to climate action.

We have promoted inclusion and diversity at our workplace, prioritizing a flexible and safe work environment, which has allowed us to cope with the critical situations experienced in 2019. We are convinced that the company's sustainable growth is linked to the development of our people, and therefore we have implemented technological and digital innovation training programs to update and prepare them for new employment opportunities.

Consequently, retraining, digitalization of processes, and the application of new tools and platforms enabled us to weather several contingencies, ensuring continuity of our work and operations. Such was the case with the social uprising in Chile during the last quarter of the year, and with the current health emergency due to the COVID19 pandemic.

During 2019, Chile went through a fundamental change of setting, demanding great resilience and the ability to adapt to the changing agenda. The first semester was defined by climate change in the public agenda, which is a cornerstone in Enel Chile's endeavors. The last quarter was characterized by disruptive events due to social protests claiming inequality and injustice, which challenged companies, institutions, and society in general.

In this scenario, and fully aware of the Company's responsibility given its role in the electricity sector, we considered the safety of our people and ensuring the continuity of the electricity generation and supply to be crucial. The work flexibility programs, and digitalization implemented for years in our company, enabled all our people to continue working remotely when necessary.

In the social sphere, we constantly analyze the dimensions of multidimensional poverty and energy poverty, directing our social investments towards

contributing to reach Sustainable Development Goals, which seek to reduce existing social gaps. In order to strengthen the socio-economic tissue of over 300 communities we work with, particularly in terms of inequality, we developed programs for them to have access to quality education, economic development through the creation of 80 SMEs, clean and affordable energy, and community resilience to the effects of climate change.

Our climate change agenda remained firm, and in close collaboration with science. Enel Generación Chile, along with Pontificia Universidad Católica de Valparaíso are the founding partners of the Huinay Foundation, which has shown significant progress in investigations related to the variables that impact oceans and the environment. Simultaneously, we have invested in natural resource conservation projects, particularly water, and in the integration of circular economy practices in the processes of all our business lines, which have presented new actions to face climate change.

We continue to consolidate the pillars of our business' sustainability- solid governance, ethics and compliance model, environmental management, sustainable supply chain, and the prioritization of health and safety practices in the workplace for all our people, contractors, and communities we work with.

The values that inspire us- trust, responsibility, proactivity and innovation- define our performance, and present new opportunities and challenges. We share our values with all our people, suppliers, and organizations and institutions we have worked with throughout the year, and with which we share the results of a collaborative work effort.



**Herman Chadwick Piñera**  
Chairman



**Paolo Pallotti**  
Chief Executive Officer

01.

02.



## Letter to stakeholders

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# Enel Chile is Open Power

**Positioning**  
Open Power

**Purpose**  
Open Power for  
a brighter future.  
We empower  
sustainable progress.

**Mission**

- Open access to electricity for more people.
- Open the world of energy to new technology.
- Open up to new uses of energy.
- Open up to new ways of managing energy for people.
- Open up to new partnerships.

## Vision

Open Power to tackle  
**some of the world's  
biggest challenges.**

## Values

- Trust
- Proactivity
- Responsibility
- Innovation

## Principles of Conduct

- Make decisions in daily activities and take responsibility for them.
- Share information, being willing to collaborate and open to the contribution of others.
- Follow through with commitments, pursuing activities with determination and passion.
- Change priorities rapidly if the situation evolves.
- Get results by aiming for excellence.
- Adopt and promote safe behavior and move pro-actively to improve conditions for health, safety and well-being.
- Work for the integration of all, recognizing and leveraging individual diversity (culture, gender, age, disabilities, personalities, etc.).
- Work focusing on satisfying customers and/or co-workers, acting effectively and rapidly.
- Propose new solutions and do not give up when faced with obstacles or failure.
- Recognize merit in co-workers and give feedback that can improve their contribution.

# Milestones 2019

## JANUARY

### *Formula E Championship returns*

The race took place in Santiago on January 26 at Parque O'Higgins. Enel participated as the Official Power Partner.

### *Housing program for El Barco indigenous community*

The construction of 34 homes for the indigenous families of the El Barco community, relocated because of the construction of Ralco power plant, began in January. The construction reached 80% progress by year-end.

## FEBRUARY

### *Fitch Ratings confirmed the rating of Enel Chile S.A. and modified its outlook*

On February 6, 2019, the risk rating agency Fitch Rating maintained the "AA" local credit rating of Enel Chile S.A. and improved the outlook from stable to positive.

### *Enel Chile and Enel Generación Chile became the first electricity companies in the country to certify their antibribery system*

The effectiveness of the antibribery management system implemented by Enel Chile and Enel Generación Chile was recognized with the international standard ISO 37001 certification. This international standard recognizes the companies that have a solid antibribery management system and strengthens the transparency commitment of Enel Chile and its subsidiaries.

### *Parque La Isla-Salto La Olla Inauguration*

It is a 6-hectare pristine forest located in Pilmaiquén that protects the biodiversity of the flora and fauna that inhabits the area and contributes to the conservation of the Mapuche culture.

## MARCH

### *Women Energy Award*

The twelfth version of the Women Energy Award took place as part of the International Women's Day celebration. Twelve outstanding Chilean women were acknowledged in arts, public service, environment, sustainability, education, innovation and entrepreneurship, community work, journalism or news hit of the year, entertainment and sports.

## APRIL

### *Green Label for AB InBev Chile brewery*

The brewery AB InBev Chile received Enel Green Power Chile's Green Label, the first beer company to receive this label. It means that AB InBev Chile will generate or inject the same amount of energy they consume to make their beer into the electricity system using only non-conventional renewable energy (NCRE) from the Diego de Almagro solar power plant.

## MAY

### *Criminal Risk Prevention Model Certification*

The criminal risk prevention model ("MPRP" in its Spanish acronym) implemented by Enel Chile, Enel Generación, Enel Distribución Chile, and Enel Green Power Chile and all subsidiaries, was certified for 2 years (until December 31, 2020). This certification evaluates the effectiveness of the MPRP in preventing and detecting bribery, terrorism funding, money laundering, handling stolen goods and other crimes within the company and in any interaction with third parties.

### *Let there be light!*

Enel Chile provided 20,000 historical photographs to Chile's Biblioteca Nacional library under a commodatum agreement. This historical archive that belongs to Enel Distribución, was exhibited at the Biblioteca Nacional admission free.

### *Blue Code*

Enel Chile participated in the Blue Code Plan and transforms the corporate gymnasium into a shelter to contribute to the Government's campaign to protect homeless people from the cold and rain during days with critical weather conditions in winter.

## JUNE

### *National Decarbonization Agreement*

Enel Chile, through its subsidiary Enel Generación Chile, became part of the Chilean government's National Decarbonization Agreement led by the Ministry of Energy. The Company agreed to close the three coal fueled power plants in Chile; Central Tarapacá by May 2020, Bocamina 1 by December 31, 2023, and Bocamina 2 by December 31, 2040.

### *Enel Generación Chile signs agreement with Collahuasi mining company for 100% renewable energy*

Enel Generación Chile, a subsidiary of Enel Chile, signed an energy supply agreement with Collahuasi to provide the mining company with 1 TWh per year of 100% renewable energy. This agreement is in line with the company's commitment of to be the main promotor of the transition of Chile's energy matrix from a traditional one to a renewable one.

### *Enel Chile maintains its position in the FTSE4Good Index Series*

The Company maintains its rank in the first semester review of the Emerging Market Index and the Latin American Index, which classifies companies worldwide according to their environmental, social and governance practices (ESG).

### *Feller Rate maintains Enel Chile's risk rating*

The Company was locally rated "AA" with a stable outlook by Feller Rate for the first time in 2017.

### *Moody's confirmed the international rating of Enel Chile S.A. on June 28, 2019*

The company received a "Baa2" rating with a stable outlook.

### *Permission for early retirement of Central Tarapacá*

Enel Generación Chile formally requested the National Energy Commission ("CNE" in its Spanish Acronym) for permission to remove, disconnect and shutdown the operations of Central Tarapacá as of December 31, 2019. The retirement was initially scheduled to take place in May 2020.

## JULY

### *100 New electric buses*

As part of the second phase of the electric mobility project led by Enel X, Metbus and BYD Chile within the context of the public-private partnership with the Ministry of Transportation and Telecommunications, 100 new electric buses arrived in Chile to be added to the public transportation system of the Metropolitan Region.

### *The CNE authorizes the retirement of Central Tarapacá (158 MW)*

The company is authorized to perform the final shutdown as of December 31, 2019. This milestone was initially scheduled to take place in May 2020, but the company formally requested to do it sooner.

### *Enel Generación Chile and Anglo American sign an electricity supply contract to provide the mining company with up to 3 TWh/yr*

The agreement is the largest 100% renewable energy contract in Chile to be signed with an unregulated customer.

## AUGUST

### *Enel Chile and subsidiaries receive the "Generación Empresarial - Diario Financiero" Award for their commitment to ethics and transparency*

The companies that belong to the Group in Chile were recognized by the foundation Fundación Generación Empresarial and the newspaper Diario Financiero with this award for systematically promoting corporate compliance ethics and best practices, both internally and externally. The companies received one of the three highest ratings among the 49 participants.

### *Enel Chile announces changes in the Administration, Finance and Control Department*

The Board of Directors of Enel Chile appointed Giuseppe Turchiarelli as the company's new Administration, Finance and Control Manager (CFO). Mr. Turchiarelli was the CFO of Enel SpA for Europe and Northern Africa.

### *Campos del Sol*

Enel Green Power Chile, subsidiary of Enel Chile, began the construction of Campos del Sol. It is a new photovoltaic solar power plant with nearly 382 MW installed capacity, the largest solar plant currently under construction in Chile. The project is located 60 km. northeast of Copiapó, in the Atacama Region.

### *Cerro Pabellón Expansion Project*

Geotérmina del Norte, a joint venture undertaken by Enel Green Power, the renewable energy subsidiary of Enel Chile, and ENAP, began the construction of the third 33 MW generation unit of the Cerro Pabellón geothermal power plant.

### *Enel Chile receives the "Commitment to Integrity" award*

The 3rd version of the Generación Empresarial and Diario Financiero award recognized Enel Chile for its systematic commitment to promoting ethics and corporate best practices, both internally and externally.

## SEPTEMBER

### *Potable water system improvement*

The improvement projects of the drinking water systems of the Ayin Mapu and El Barco indigenous communities reached 100% progress.

## OCTOBER

### *First electric corridor in Latin America*

Enel X, Metbus and BYD inaugurated the first electric vehicle corridor in Latin America, an integral, sustainable transportation system exclusively for buses that are 100% electric. This milestone puts Chile in the lead regarding electric mobility in the Region, the first country to implement a sustainable electric corridor for 285 zero emission buses.

### *Standard & Poor's maintained Enel Chile's International Rating on October 28, 2019*

The company was rated "BBB+" with a stable outlook, an "Investment grade" rating.

### *Enel Distribución Chile y Empresa Eléctrica Colina first distribution companies in Chile to certify their Antibribery management system*

Enel Distribución Chile y Empresa Eléctrica Colina concluded the ISO 37,001 standard certification process. It recognizes the effectiveness of the management system and the companies' leadership in terms of ethics and transparency. The management system was evaluated by an external examiner during the last quarter of the year and the certification of the system was obtained in October.

## NOVEMBER

### *Contract signed with mining company BHP Billiton Enel Chile, through its subsidiary Enel Generación Chile, signed an agreement to provide BHP Billiton 3 GWh/yr. of 100% renewable energy*

to begin supply in 2021. This agreement allows BHP to have an entirely green electricity supply matrix and is proof of the efforts of Enel Generación Chile to promote the transition from the traditional energy matrix to a renewable based matrix.

## DECEMBER

### *Copa Enel*

Enel Chile crowns the men's team from Calama and the women's team from Lo Prado as champions of the 18th version of the Enel Cup winning a trip to Italy to play against the lower division teams of Inter from Milan.

### *Retirement of Central Tarapacá*

Enel Generación Chile disconnected, and shutdown operations of Central Tarapacá on December 31, 2019 as formally requested. This milestone was initially scheduled to take place in May 2020.

### *Reforestation Plan with native species*

A total 515.5 hectares have been reforested since 2016 within the framework of the reforestation agreement signed with Universidad de Concepción on December 19, 2015.



# 1. EXECUTIVE SUMMARY



# About Enel Chile: Who are we?

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Enel Chile is part of the Enel Group, an international holding, leader in the energy industry and one of the major integrated global operators in the energy and gas sector worldwide. It is present in 33 countries and supplies energy to 73 million consumers across five continents. In terms of ownership, the Italian company Enel SpA is the controlling shareholder of Enel Chile, with 61.93% ownership share.

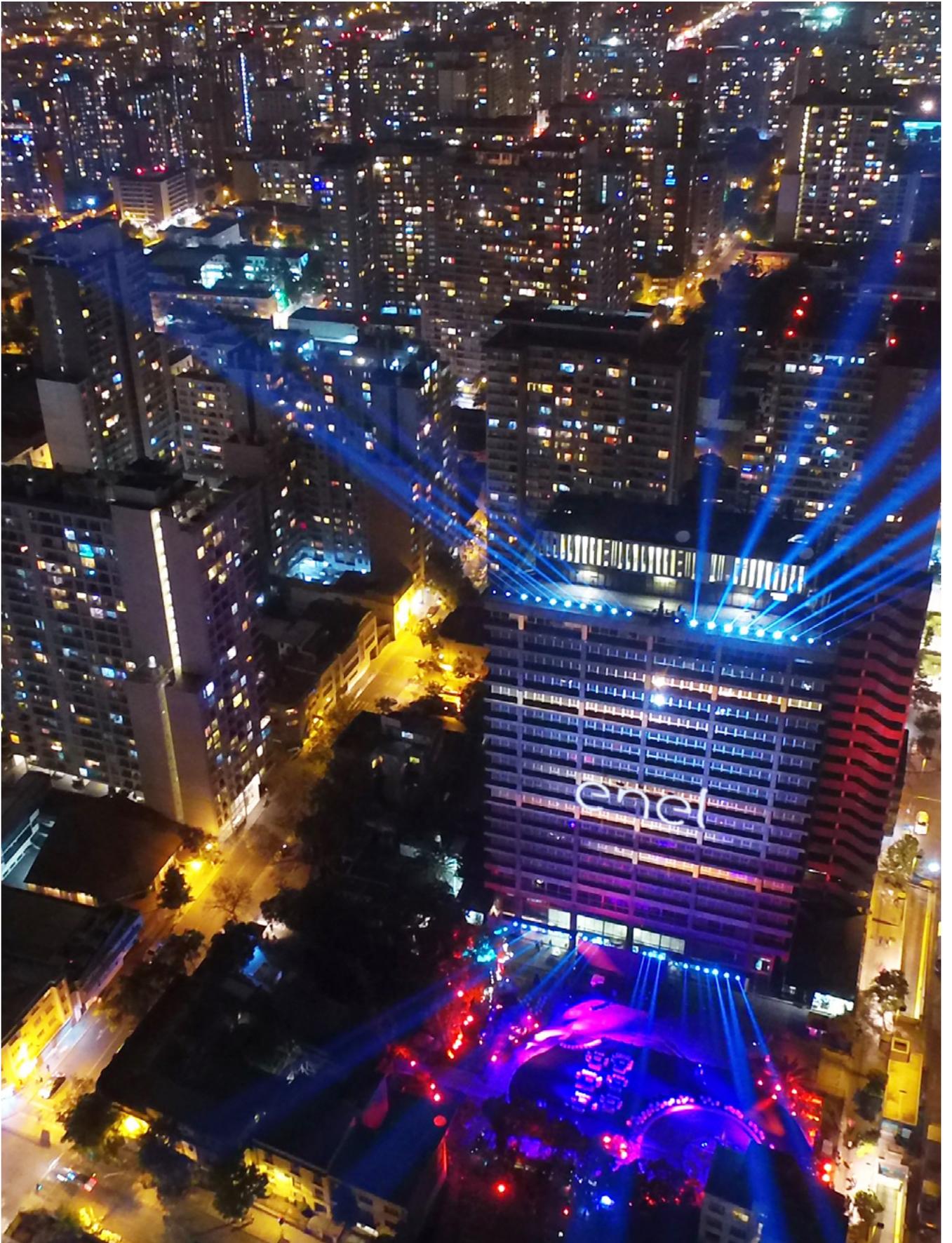
Further information regarding ownership structure and governance structure can be found in the Company's [2019 Annual Report](#).

Enel Chile S.A. controls and manages a group of companies that operate in the Chilean electricity market. Their main business is to explore, develop, operate, generate, distribute, transform and/or sell energy in any form or nature, directly, or through other organizations as intermediaries. Their total assets ascend to Ch\$ 7,857,988 million as of December 31, 2019. Enel Chile S.A. owns 93.55% of Enel Generación Chile, 99.09% of Enel Distribución Chile, 100% of Enel Green Power Chile, and 100% of Enel X Chile.

In terms of generation, Enel Chile S.A. is the company with the greatest installed capacity within the National Electric System ("SEN" in its Spanish acronym), generates 21,041 GWh through both Enel Generación Chile and Enel Green Power Chile. Of that total generation amount, 66% comes from clean energy sources that are part of a portfolio including hydro, wind, photovoltaic, and geothermal energy. The Company is the leading operator in each of these technologies. Electricity sales for 2019 amounted to 23,513 GWh.

Additionally, Enel Chile generates the greatest amount of zero emissions energy in the country, representing 43% of Chile's total renewable electricity generation.

Enel X Chile, on the other hand, is the subsidiary responsible for opening electricity to new uses, offering innovative products and energy solutions, seeking to satisfy customers' needs through four lines of business: e-City, e-Home, e-Industries, e-Mobility.



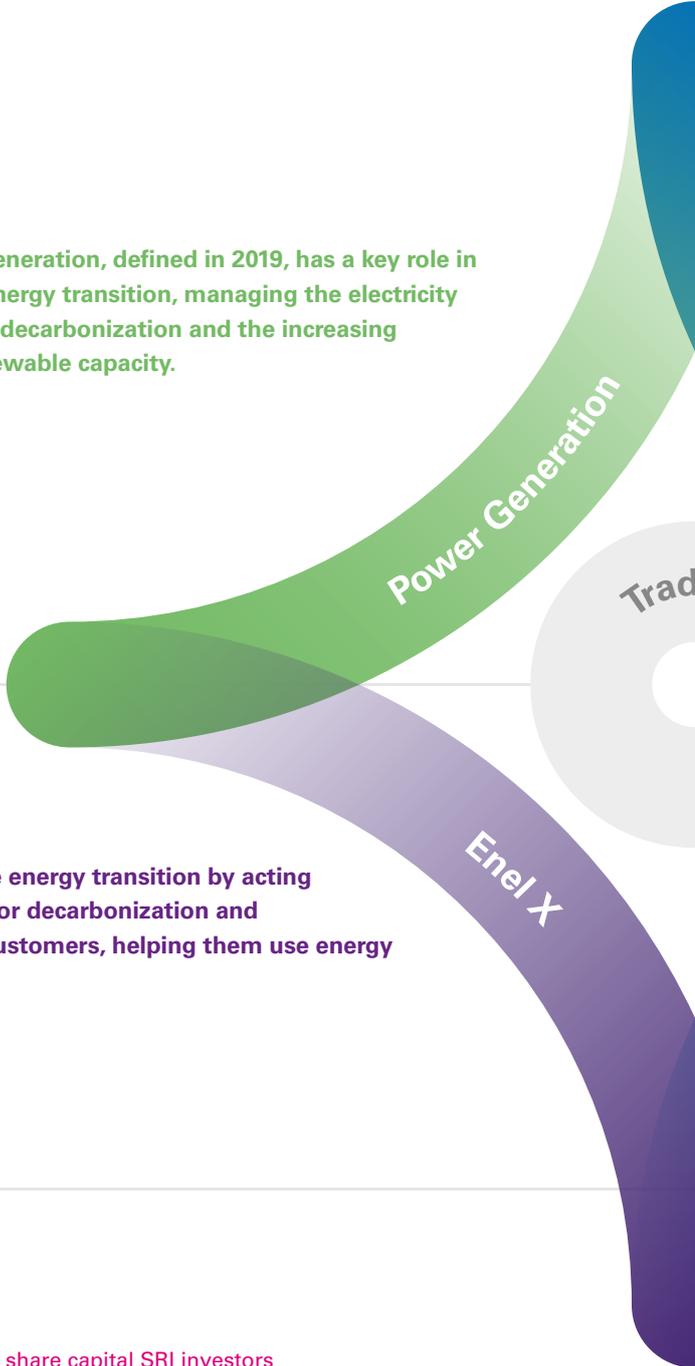
# Sustainable Business Model



## Global Power Generation

**7.303 MW** gross installed capacity  
**65%** of installed capacity is renewable energy  
**21.041 GWh** electricity generated  
**66%** of electricity generated is renewable  
**227 g/KWheq** of specific CO<sub>2</sub> emissions  
**10,2 millions tons** of CO<sub>2</sub> avoided

The new Power Generation, defined in 2019, has a key role in accelerating the energy transition, managing the electricity generation matrix decarbonization and the increasing investment in renewable capacity.



**61,8 MW** in response to demand  
**357** charging points  
**285** electric buses  
**277 thousand** lighting points installed

Enel X enables the energy transition by acting as an accelerator for decarbonization and electrification of customers, helping them use energy more efficiently



**2.770.834 million** in revenue  
**1.053.492 million** in EBITDA  
**82% of EBITDA** comes from low carbon products and services

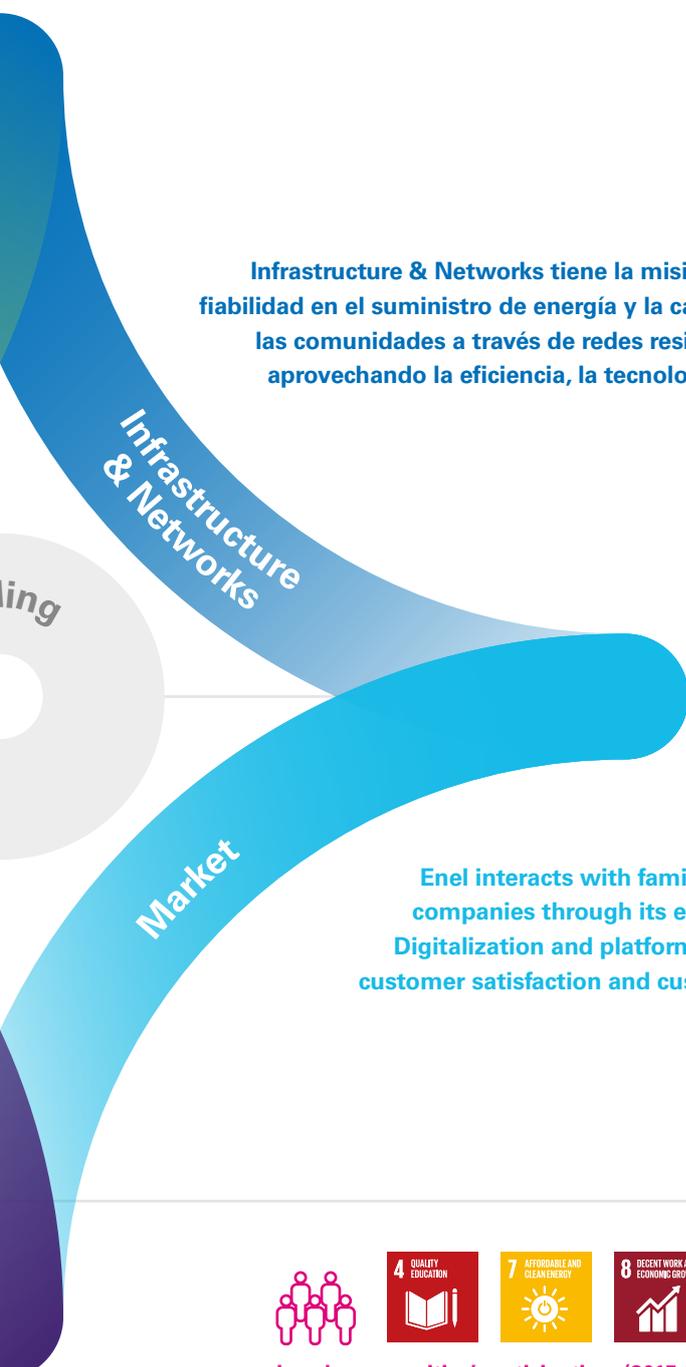


**2.148** Enel people  
**9.026** contractors



**27%** of share capital SRI investors

# 2019 Results



Infrastructure & Networks tiene la misión de garantizar la fiabilidad en el suministro de energía y la calidad de servicio a las comunidades a través de redes resistentes y flexibles, aprovechando la eficiencia, la tecnología y la innovación digital.



**4,99** loss index  
**2.148** remote control equipment installed (cumulative)  
**2.105 kms<sup>2</sup>** concession area  
**17.440 kms** of electric network



Enel interacts with families, industries and companies through its end customer sales. Digitalization and platforms allow improving customer satisfaction and customer experience.

**1.972.218** customers  
**23.513 GWh** Enel Chile Electricity sales



**Local communities' participation (2015-2019):**  
**79.800** educational programs beneficiaries  
**198.900** energy access programs beneficiaries  
**371.400** decent work and economic growth programs beneficiaries



**34 thousand hectares** of biodiversity projects.  
**0.33 l/kWh** specific water requirements.

# Presence in Chile

102-6 102-7

The Enel Chile Group has 47 power plants located throughout the nation's territory, from the Antofagasta Region to the Biobío Region. Enel Chile and its subsidiaries renewable installed capacity represents 65%<sup>1</sup> of total installed capacity. The remaining 35% is thermoelectric electricity generation capacity. Enel Green Power Chile is the subsidiary responsible for the power plants based on non-conventional renewable sources of energy, which are distributed throughout Chile from the Antofagasta Region to the Los Lagos Region<sup>2</sup>.



- 
**1. CERRO PABELLÓN**  
 Installed Capacity: 41 MW
- 
**2. FINIS TERRAE**  
 Installed Capacity: 160 MW
- 
**3. VALLE DE LOS VIENTOS**  
 Installed Capacity: 90 MW
- 
**4. SIERRA GORDA ESTE**  
 Installed Capacity: 112 MW
- 
**5. EÓLICA TALTAL**  
 Installed Capacity: 99 MW
- 
**6. PAMPA SOLAR NOTRE**  
 Installed Capacity: 79 MW
- 
**7. LALACKAMA**  
 Installed Capacity: 60 MW
- 
**8. LALACKAMA II**  
 Installed Capacity: 18 MW
- 
**9. DIEGO DE ALMAGRO (TG)**  
 Installed Capacity: 36 MW
- 
**10. CHAÑARES**  
 Installed Capacity: 40 MW
- 
**11. CARRERA PINTO I Y II**  
 Installed Capacity: 97 MW
- 
**12. LA SILLA**  
 Installed Capacity: 2 MW
- 
**13. LOS MOLLES**  
 Installed Capacity: 18 MW
- 
**14. TALINAY ORIENTE Y PONIENTE**  
 Installed Capacity: 151 MW
- 
**15. CANELA Y CANELA II**  
 Installed Capacity: 78 MW
- 
**10. RAPEL**  
 Installed Capacity: 376 MW
- 
**11. SAUZALITO**  
 Installed Capacity: 12 MW
- 
**12. SAUZAL**  
 Installed Capacity: 77 MW

<sup>1</sup> 65% of installed capacity based on renewable sources excludes the Tarapacá Power Plant, because it was shut down on December 31, 2019

<sup>2</sup> The Tarapacá Power Plant has not been operational since December 31, 2019. For further information regarding the Just Transition of this power plant, see page 178.

**19. PLANTS IN MAULE**

-  **CURILLINQUE**  
Installed Capacity: 89 MW
-  **LOMA ALTA**  
Installed Capacity: 40 MW
-  **PEHUENCHE**  
Installed Capacity: 568 MW
-  **OJOS DE AGUA**  
Installed Capacity: 9 MW
-  **CIPRESES**  
Installed Capacity: 106 MW
-  **ISLA**  
Installed Capacity: 70 MW

**20. PLANTS IN LAJA**

-  **ANTUCO**  
Installed Capacity: 319 MW
-  **ABANICO**  
Installed Capacity: 136 MW
-  **EL TORO**  
Installed Capacity: 449 MW
-  **21. LOS BUENOS AIRES**  
Installed Capacity: 319 MW

**22. PLANTS IN BIOBÍO**

-  **RALCO**  
Installed Capacity: 689 MW
-  **PALMUCHO**  
Installed Capacity: 34 MW
-  **PANGUE**  
Installed Capacity: 466 MW
-  **23. RENAICO**  
Installed Capacity: 88 MW
-  **24. PILMAIQUÉN**  
Installed Capacity: 41 MW
-  **25. PULLINQUE**  
Installed Capacity: 51 MW

 **26. TARAPACÁ (TG Y TV)**  
Installed Capacity: 178 MW

 **27. ATACAMA (TG)**  
Installed Capacity: 732 MW

 **28. TALTAL (TG)**  
Installed Capacity: 240 MW

 **29. DIEGO DE ALMAGRO (TG)**  
Installed Capacity: 24 MW

 **30. HUASCO (TG)**  
Installed Capacity: 64 MW

 **31. SAN ISIDRO Y SAN ISIDRO II (CC)**  
Installed Capacity: 767 MW

 **32. QUINTERO**  
Installed Capacity: 257 MW

 **33. BOCAMINA (TV)**  
Installed Capacity: 478 MW

Enel Chile retired the Tarapacá power plant on December 31, 2019 as established by the agreement signed with the Chilean government to shut down coal plants according to a programmed schedule.

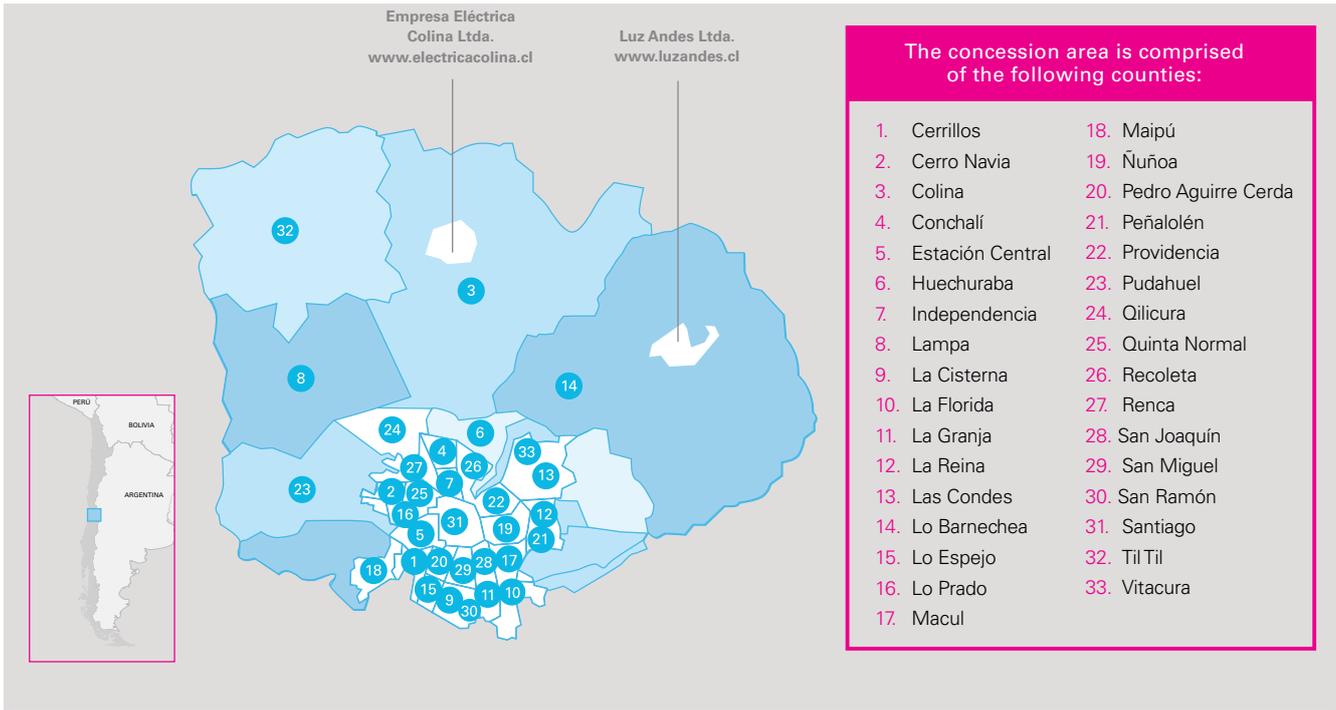
Type and number of units in each power plant  
(CC) Combined cycle  
(TV) Steam turbine  
(TG) Gas turbine  
Units: 105

---

 <b>Geothermal Plant</b>	 <b>Solar Plant</b>	 <b>Hydroelectric Plant</b>	 <b>Wind Plant</b>
 <b>Fuel and Gas Plant</b>	 <b>Coal Plant</b>		

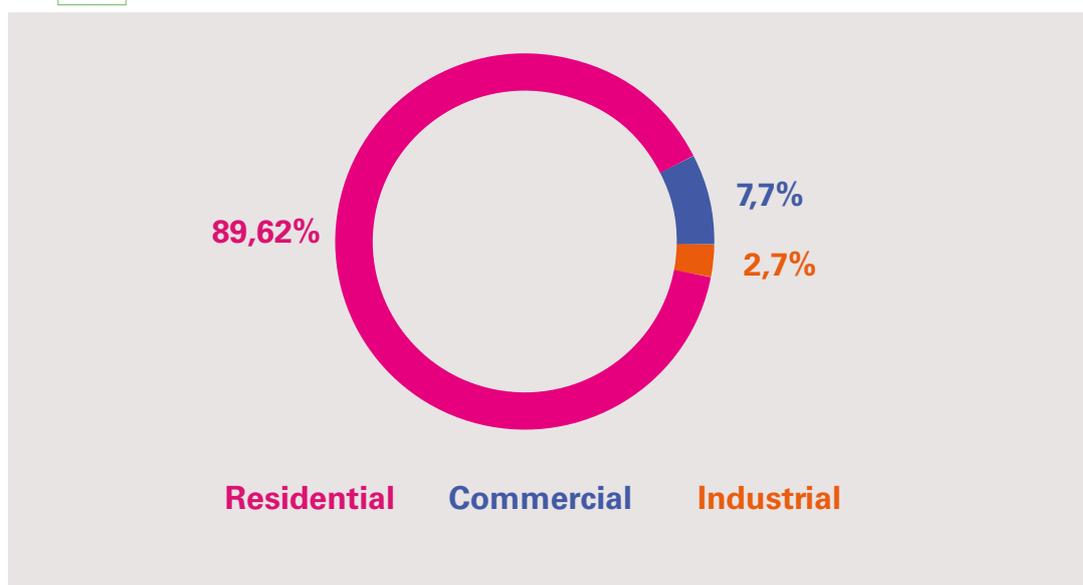
Enel Distribución Chile, is the company that distributes electricity to nearly two million customers within a 2,105 Km<sup>2</sup> concession area that covers 33 of the 52 urban and rural municipalities of the Metropolitan Region.

### Concession area Enel Distribución Chile



# Our Customers

102-6



## Tariff Regulation

The electricity system in Chile is divided into generation, transmission, and distribution activities. Industry regulation establishes that the system must operate in an interconnected and coordinated way to minimize the cost of electricity while maintaining specific quality and safety standards.

The Chilean electricity industry is governed by the Ley General de Servicios Eléctricos (Electricity Law) DFL 4/2006. The Ministry of Energy is the leading authority in energy issues and oversees the National Energy Commission, ("CNE", in its Spanish acronym), and the Superintendence of Electricity and Fuel (Chilean "SEC", in its Spanish acronym).

The National Energy Commission is responsible for elaborating plans for the construction of new generation power plants, approving transmission expansion plans, and setting distribution prices. The price setting process involves the costs of the electricity distribution activity and maintaining a level of price equality throughout the country.

Generation companies operate under a free market. They may sell their energy to other generation companies at spot prices- the instant market price - to distribution companies through contracts tendered by the authority, or through bilateral agreements directly to unregulated customers whose connected power capacity is above 5,000 kW.

Distribution companies operate under a public service concession regime. They are obliged to supply electricity to regulated clients whose connected power capacity is under 5,000 kW, except for clients whose connected power capacity is between 500 kW and 5,000 kW and chose to be subject to unregulated prices. Distribution prices are set every four years by the Ministry of Energy based on a tariff study. Tariffs pass through the costs of electricity generation and transmission activities and add what is called the distribution value added.

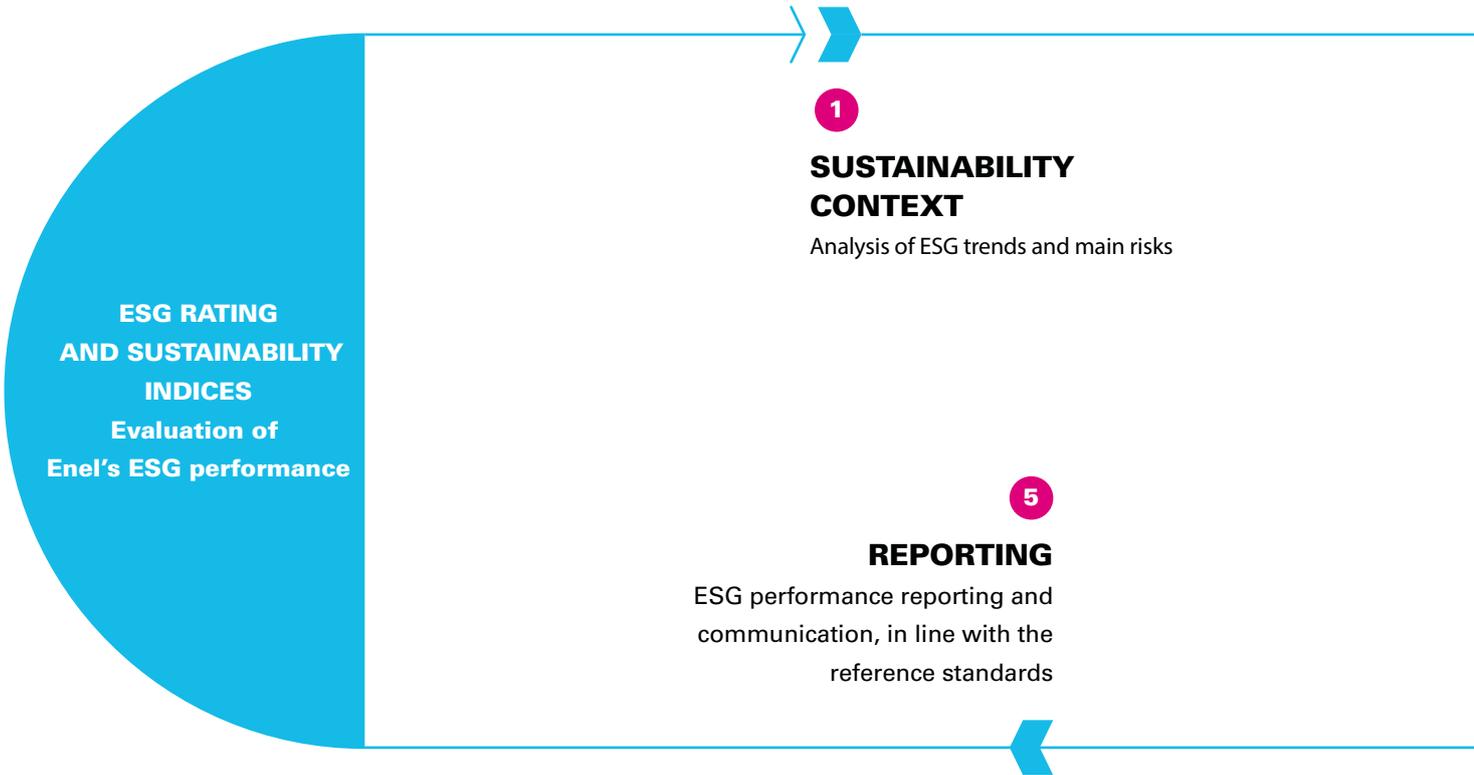
# Sustainability Governance

102-23

Enel has created a specific governance structure inspired on international best practices that covers operational and decision-making processes throughout its entire value chain.

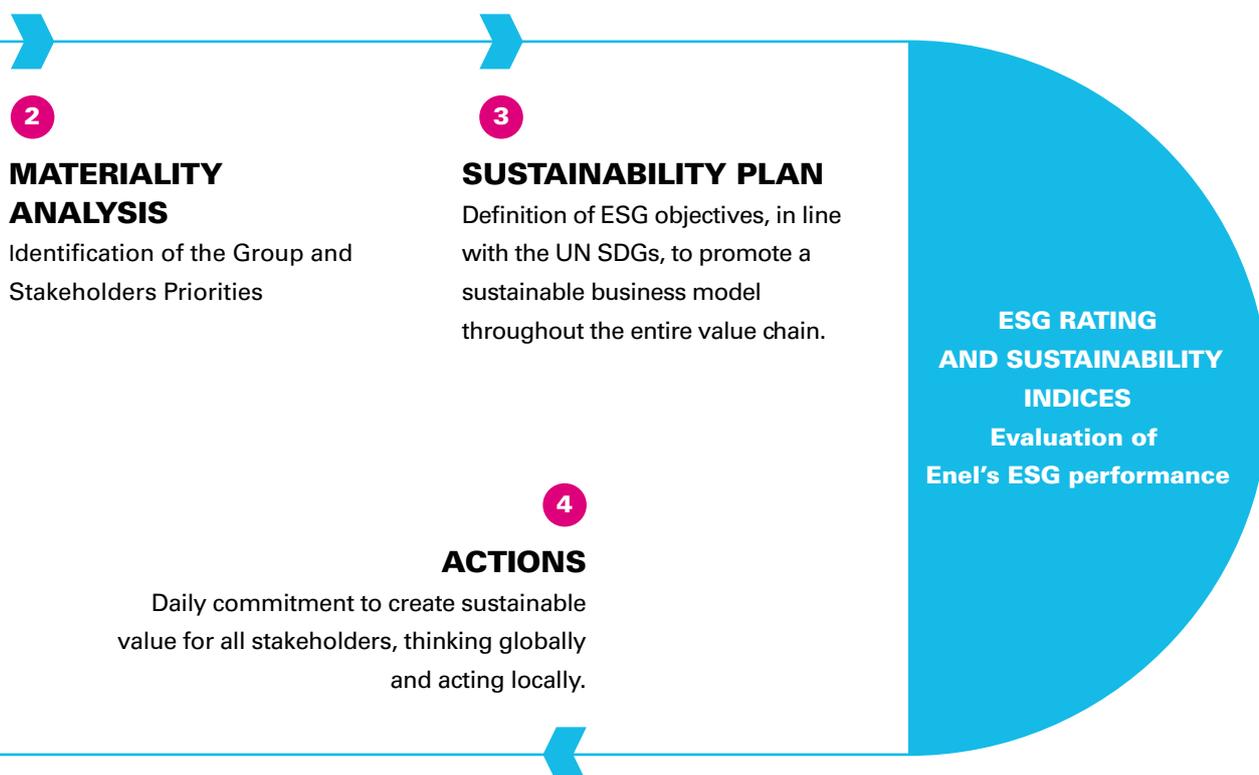
Sustainability and innovation are among the fundamental principles of the Company and its governance structure.

## The integration of environmental, social and governance (ESG) in corporate management



- > **Board of Directors:** it approves strategic, industrial, and financial plans, including the Group's annual budget and the Industrial Plan to promote a sustainable business model and lay the foundations for long-term value creation. The Board is also responsible for all Company endeavors, including: environmental issues such as emissions, integrated management systems, biodiversity, etc.; social issues, such as human rights, diversity and inclusion, employee retention, etc.; governance issues such as, corruption, lobbying, transactions between related parties, among others; and the approval of risk maps, including the sustainability risk map, and the Sustainability Report.
- > **The CEO and the Chairman of the Board of Directors** are responsible for defining and implementing the sustainable business model, establishing guidelines to manage the energy transition, promoting carbon-free energy production and commercial practices that account for the expectations of different stakeholders. The Chairman of the Board of Directors does not hold an executive position within the Company.
- > **The sustainability department,** under the supervision of Enel Chile's CEO, and following the Enel Group's guidelines manages all activities related to sustainability and innovation.

Enel Chile's business model considers sustainability to be a transversal pillar for long-term value creation. The Company's Industrial Plan integrates the Sustainability Plan, which meets international and national demands, and stakeholders' priorities. This integration is accomplished through an analysis of local and international trends, the industry's context, and stakeholder's main concerns, which is performed annually. The results obtained from this analysis constitute the primary input to update the Plan that is the guide to the Company's endeavors.



# Context

## A changing world: Megatrends

The world we live in is currently shaped by constant change, where the scenarios we face are ever more diverse. Global forces, or mega-trends, lead to variations in social behavior and the way people live, redefining the environment in which businesses develop. Society's evolution, climate change, the fourth industrial revolution, and a new social contract have been identified as some of the disruptive forces that are modelling new lifestyles, in which electricity is acquiring a leading role.

### Today's leading global trends



Trends related to demographics and growing urbanization defy markets because of their need to develop sustainable cities and improving the population's quality of life. Specifically, migration towards large cities has produced greater inequality and pollution. Additionally, the climate crisis, development of new technologies, and a growing demand for services lead to greater demand for electricity. Hence, electricity plays a crucial role as an enabler of sustainable growth and progress.

## Local Context: A New Social Scenario

In Chile, poverty, regional inequality, and the energy matrix transition have been main issues in the public agenda and are leading towards new initiatives on these issues. According to data from the 2017 National Socioeconomic Characterization Survey ("Casen" in its Spanish acronym), 20.7% of the population lives under conditions of multidimensional poverty. This means that they face difficulties in one or more of the following areas: Education, Health, Social Work and Social Security, Housing and Environment, Networks, and Social Cohesion. During 2018, the Ministry of Social Development elaborated a Vulnerability Map to identify and prioritize 16 Vulnerable Groups. They made a commitment to address these disadvantages working in collaboration with the public sector, academia, civil society, and the private sector.

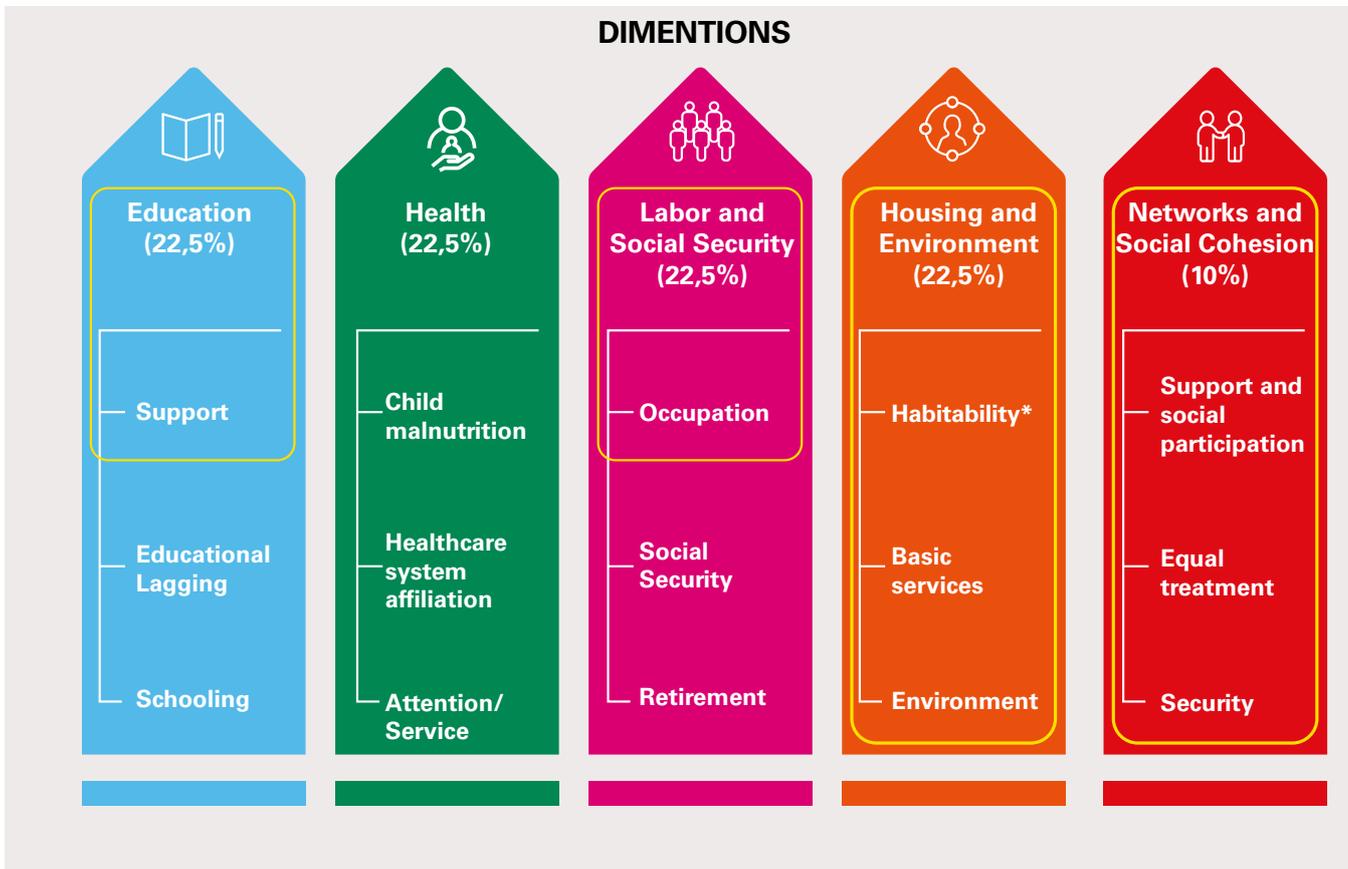
This commitment translated into a project known as Compromiso País, which assigns 10 Ministries the responsibility to manage the solutions to their respective needs, based on characteristics of the 16 Vulnerable Groups.



3 [http://observatorio.ministeriodesarrollosocial.gob.cl/casen-multidimensional/casen/casen\\_2017.php](http://observatorio.ministeriodesarrollosocial.gob.cl/casen-multidimensional/casen/casen_2017.php)

4 <http://www.compromisopais.cl/>

## The dimensions of multidimensional poverty 2015-2017



**Habitability** indicator: Includes deficiencies in overcrowding or in the state of the dwelling, previously measured separately.  
Source: Ministry of Social Development, Chile.

### Social Uprising in Chile

Several social demands culminated in a massive social uprising in Chile on October 18, 2019, leading to unprecedented protests, rallies and demonstrations insisting on deep social and structural changes in the country. The demands included access to quality health care, decent pensions, efficient and affordable public transportation, quality public education, putting an end to privatized water, and lower costs of electricity, among others.

Enel Chile, aware of the importance of their role as an essential public service provider, set its priorities on ensuring continuity of power generation, supplying electricity to its clients, and ensuring the safety of its people. The Company maintained constant communication with sustainable development initiatives carried out throughout the country in over 300 communities in which it operates, consolidating its contribution to the reduction of multidimensional poverty, which was integrated in their Sustainability Plan years ago. Because of the social contingency, Enel Chile launched a program to offer customers the possibility to reprogram the payment of past-due billings to support Small and Medium-Sized Enterprises (SMEs) in the Metropolitan Region which had been affected by the social conflict. 130 SMEs subscribed to the program, of a total of 1,905 clients whose electricity will not be disconnected due to nonpayment and past due accounts will not be subject to interest.

# Energy Poverty

According to a study carried out by the United Nations Development Program (UNDP) together with Chile's Ministry of Energy, energy poverty is defined as the situation in which a home lacks sufficient power to cover fundamental, basic, and secondary necessities, taking both objective and subjective issues into consideration. It is a multidimensional phenomenon with three dimensions: access, quality, and equity regarding energy services.

Energy poverty is regarded as one of the most important challenges in the global energy agenda because access to safe and continuous energy affects human development at both social and economic levels.

The energy poverty network, Red Pobreza Energética (RedPE), is an organism that seeks to improve collaboration between investigators from different disciplines to share and create knowledge that will contribute to tackle Chile's energy poverty challenges. They propose the following definition of energy poverty:

## A home is in a situation of ENERGY POVERTY when:

**It lacks equitable access to high quality energy services to cover basic and fundamental needs that sustain economic and human development of household members.**



## Dimensions of Energy Poverty:

### ACCESS

Physical and technological thresholds that limit access to electricity for cooking, hygiene, illumination, electronic devices, and household temperature control.

### QUALITY

Tolerance thresholds that define access and equity. It considers standards of adaptability, reliability, and safety in terms of indoor contamination.

### EQUITY

Economic thresholds regarding excessive expenses in home energy, under-expenditure in home energy, and the resources to invest in the home.

Source: Red de Pobreza Energética (<http://redesvid.uchile.cl/pobreza-energetica/que-es-pobreza-energetica/>)

The Ministry of Energy launched the “Energy Roadmap 2018-2022” to increase access and improve energy supply for households. It developed an Energy Vulnerability Map to reduce existing gaps. Enel Chile has committed to contribute to this endeavor, as well as other mega commitments that aim towards national energy sustainability and influence the industry, to become a relevant player in the fulfilment of the country’s goals.

## 10 Mega commitments

The infographic consists of ten colored boxes, each containing a number, an icon, and a commitment. The boxes are arranged in three rows: the first row has one box on the right; the second row has three boxes; the third row has three boxes. The colors of the boxes are: 1 (dark green), 2 (orange), 3 (pink), 4 (light green), 5 (light blue), 6 (dark blue), 7 (purple), 8 (red), 9 (magenta), and 10 (grey).

- 1** Create an energy vulnerability map, identifying families without electricity and other energy services, seeking to reduce existing gaps.
- 2** Modernize the energy institutional framework to increase government efficiency and deliver a better service to citizens, particularly the Superintendence of Electricity and Fuels and the Chilean Nuclear Energy Commission.
- 3** Reduce environmental approval processing time by 25% when compared to the processing time over the past four years, for projects that adhere to +Energy Plan.
- 4** Reach four times the current capacity of renewable small-scale distributed generation (less than 300 kW) by 2022.
- 5** Increase by at least 10 times the number of electric vehicles that circulate in our country.
- 6** Modernize regulations on electricity distribution through a participatory process, to capture new realities in the energy sector and facilitate its implementation in an efficient and competitive manner.
- 7** Regulate solid biofuels such as firewood and its derivatives, granting the Ministry of Energy the necessary technical authority to establish technical specifications and implement regulations for urban area firewood commercialization.
- 8** Establish a regulatory framework that provides the necessary incentives for large energy consumers to use energy efficiently (industry and mining, transport and constructions), and create a true energy culture in the country.
- 9** Begin the energy matrix decarbonization process by preparing a timetable for the retirement or reconversion of coal fired power plants and introduce specific electromobility measures.
- 10** Train 6,000 workers, technicians, and professionals, developing energy management and sustainable use skills and abilities in the electricity, fuel, and renewable energy sectors, certifying at least 3,000 people.

Source: Ministry of Energy, 2018 <https://www.cne.cl/prensa/prensa-2018/05-mayo-2018/ministra-jimenez-lanza-la-ruta-energetica-con-10-mega-compromisos-para-este-gobierno/>



# Environmental Context

According to the Ministry of Environment and several international studies including Intergovernmental Panel on Climate Change (IPCC) reports, Chile is highly vulnerable to climate change, having seven out of nine environmental vulnerability issues. The impact of Climate change can be seen in the rise in temperatures and reduction of rainfall, and also in extreme climatic events such as droughts and floods. The impact on productive activities, and on society as a whole, is evident, proving how environmental, social, and economic factors are inevitably interconnected and interdependent. Seeking to be a proactive player in Chile's climate crisis, Enel Chile has addressed the situation through several axes: the first, strictly linked to its own business with the decarbonization of its energy matrix; the second, through the company's policies, mainly the environmental and biodiversity policies, but also through their Integrated Management System; and the third axis, the Group's commitments with international organizations that guide their environmental sustainability endeavors.

In this same direction, during 2019 we have prioritized conservation of natural resources as the climate action, collaborating with science and academia. One of the actions was carried out alongside Fundación Huinay, founded by Enel Generación Chile and Pontificia Universidad Católica de Valparaíso, consists in observing the climatic variables of aquatic and terrestrial ecosystems in Patagonia. In collaboration with Universidad de Talca, we have been working with farmers in the Maule region on water conservation through efficient irrigation systems. In the Maule basin, Enel Chile, through its subsidiary Enel Generación Chile is researching to identify conservation targets needed to ensure water availability in the basin. Additionally, in 2019, Enel Generación Chile started a registry of its 34,000 hectares of pristine land to identify its ecosystem value. In terms of socio-environmental issues, we worked with the communities to build a sustainable economy by promoting sustainable startups and initiatives that include climate actions related to a Circular Economy. These activities range from eco-construction to sustainable tourism to increase awareness and conservation of the territory's environmental identity. All projects are described further in sections two and three of this report.

We continuously analyze global, domestic and industrial level context changes and include them in our Sustainability Plan to respond to the most relevant social, environmental and business needs.





# Energy Transition: our response to the New Scenario

102-15

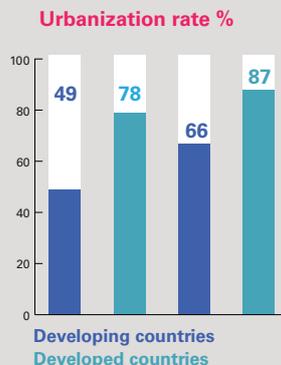
Demographic variables, social demands, the climate crisis, and the technological revolution present global challenges that drive companies to rethink their business strategies and come up with ways of developing their activities considering the environment, society and the economy (ESG). In this context, the energy transition is the industry's response, seeking to advance towards a carbon-free sustainable economy using renewable energies that lead to reductions in greenhouse gas emissions, in addition to energy efficiency measures. This shift in the energy model is fundamental to reach the goals set in the Paris Agreement, and is aligned with Sustainable Development Objective number 13, related to Climate Action and promoted by United Nations.

The main global trends that promote the energy transition are decarbonization, urbanization, increase in electricity demand, and the electrification of energy consumption.

## Main areas of energy transition

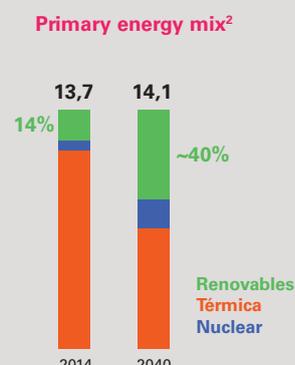
### Urbanization

By 2050, 6.7 billion people will be living in cities, or 68% of the total population. Hence, cities must be "smart" and "resilient".



### Descarbonization

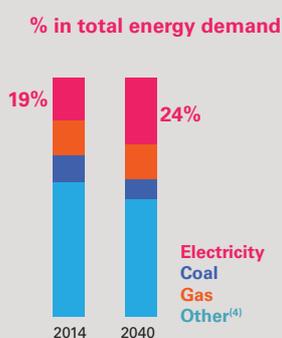
By 2040, renewable energy will make up about 40% of total electricity generation. Meeting the goals established by the Paris Agreement implies changing the sources of electricity generation.



### Access to energy

#### Electrification of consumption

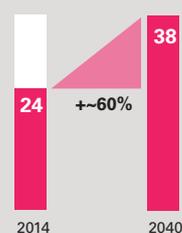
By 2040, the weight of electricity in total energy consumption will increase from 19% to 24%. Drivers will be electrification of transportation and heat



### Increase in Demand

By 2040, world demand for electricity will increase by about 60%.

#### Electricity demand<sup>5</sup>



1 United Nations, World Population Prospects, revisión 2014 y 2015  
 2 IEA-IRENA Perspectives for the Energy Transition 2017  
 3 IEA: WEO 2016 e IEA IRENA 2017 - NPS (New Policies Scenario)

4 "Other" includes: Fuel Oil, Heat, Biomass and Waste, and Hydrogen  
 5 BNEF NEO 2017, June 2017

**Open power for a brighter future. We empower sustainable progress.**

Open Power is the strategic and operational approach used by the Enel Group to deliver its services. It implies openness and communication with internal and external stakeholders, and with society as a whole. From this perspective, sustainability and innovation are essential elements to face the greatest challenges in the energy industry today. For the Group, Sustainability means value creation and it is achieved with innovation.

# Sustainable Business Model

Accomplishing complete decarbonization of the energy matrix, building smart and resilient cities responding to growing urbanization, and electrification of energy consumption combined with an increase in demand for electricity are all challenges that create an undeniable opportunity for the industry.

Hence, the purpose of the Enel Group focuses on developing a sustainable business model based on innovation to create long-term value. Sustainability can't be achieved without continuous innovation, and innovation doesn't make sense if it isn't directed towards sustainability.

Through the Open Power vision, Enel Chile aims to open energy access to a greater number of people, open the world of energy to new technologies, open energy management to people, open the possibility of new uses of energy, and open itself to a greater number of alliances.

Enel Group's Sustainable Business Model provides synergies and long-term value for all stakeholders, through five business lines: infrastructure and networks, trading, electricity generation, retail, and Enel X.

The fundamental principles that characterize Enel Chile's way of doing business include ethics, transparency, anticorruption, respect for Human Rights, and the promotion of health and safety. These principles have been formalized in conduct norms and criteria that apply to the entire company.

## Enel Chile's Sustainable Business Model

Enel Chile contributes to decarbonization by participating in the power generation business with a generation matrix that is increasingly renewable, by progressively retiring its coal fired power plants, and improving thermal power plant efficiency. Within the context of sustainable cities, the Infrastructure and Networks (I&N) business contributes to the development of smart and resilient networks that guarantee an uninterrupted electricity supply and also satisfy needs related to the new

services developed for customers. Digitalization in operations and maintenance is key to electricity generation and distribution because it allows increasing the efficiency of power plants, improve quality of service, optimize processes, and reduce response time.

Enel X is the subsidiary of Enel Chile that seeks to implement and develop products and services related to energy efficiency and new applications of energy that contribute to the development of sustainable cities, by incorporating innovation, cutting-edge technology, and future trends such as electric mobility, distributed energy, and automation.

A strategic axis of Enel Chile's sustainable business model is Circular Economy, implementing it in the Company's entire value chain and all business lines. Circular Economy is defined as the transformation of the business model, redesigning processes and products with innovation, to decouple economic development and value creation from the exploitation of natural resources.

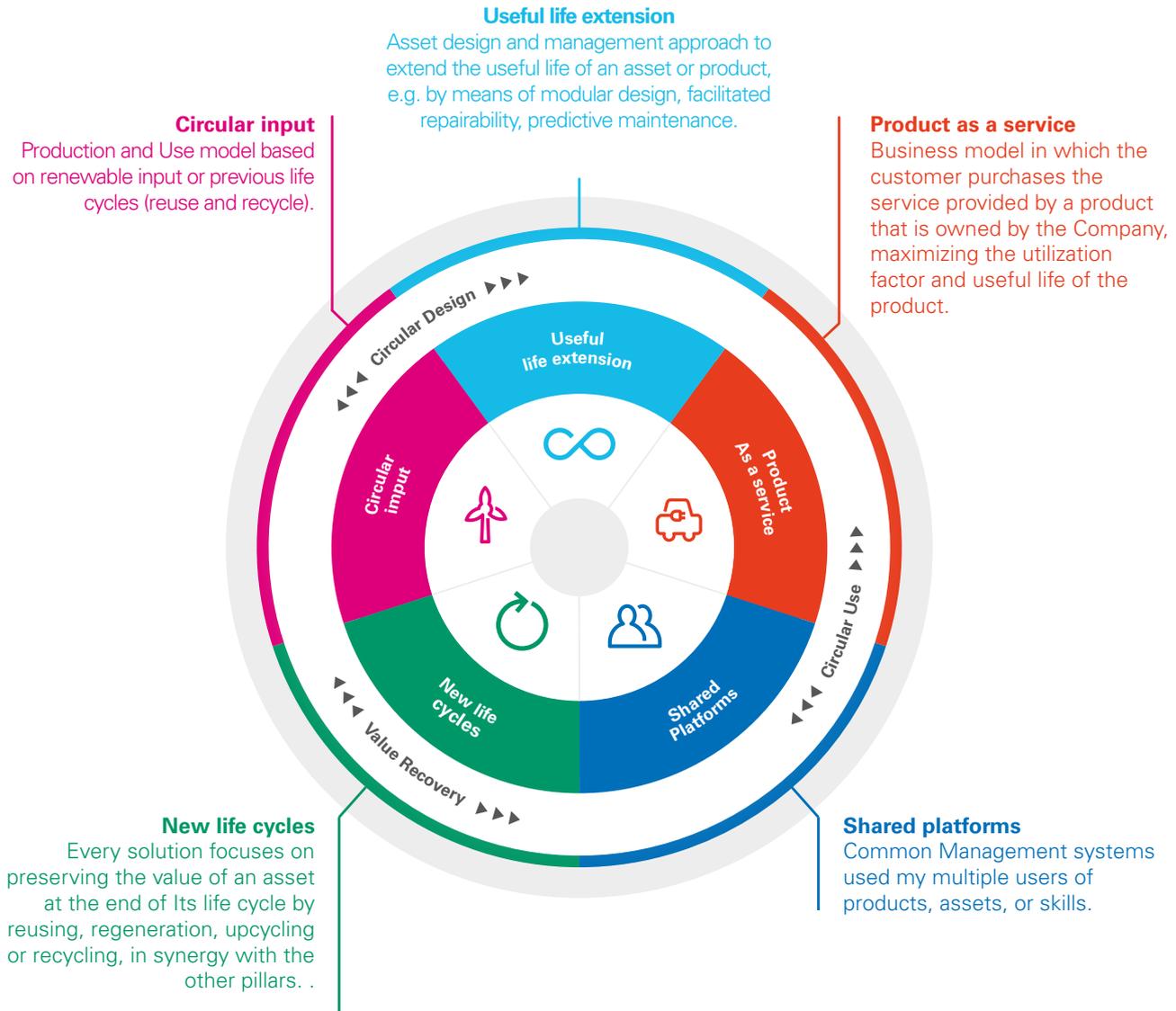
It is based on three fundamental principles:

- > Elimination of waste and pollution starting from the design of products and services
- > Maintain materials and products in use
- > Regenerate natural systems

Therefore, Circular Economy emerges as a solution to our planet's climate crisis. The Company's Circular Economy unit was created in 2019, as part of the Sustainability Department. Role models in terms of Circular Economy were defined for the different business lines to promote the implementation of the Circular Economy Model. The model is built on the following five pillars: res:

- > **Sustainable inputs:** This pillar refers to the origin of raw materials used in the construction and operation of assets. The company promotes the use of energy and materials from renewable sources, and whenever possible, recycled or re-used materials.
- > **The product as a service:** This pillar refers to the sale of services associated with the use of products, instead of the product by itself, as a way of maximizing product utilization.
- > **New life cycles:** This pillar refers to the disposal of assets at the end of their useful life. The Enel Group promotes recycling and reusing residues, understanding that they are assets/materials that may be of value for other processes.
- > **Extension of useful life:** This pillar refers to preventive or predictive maintenance of power plants or assets to extend their useful life. It also involves modular design of products allowing to replace the defective parts of a product rather than the whole product.
- > **Shared platforms:** This pillar refers to sharing an underutilized asset with multiple users by using information technology.

# Circular Economy Model in the Value Chain



One of the most relevant challenges of incorporating Circular Economy in the Enel Group is the quantification and valuation of the business' circularity. Hence, a measurement model called CirculAbility Model ©<sup>6</sup> has been developed, which defines a circularity baseline in relation to "Business as Usual" that allows quantifying the operational sustainability benefits generated by the implementation of one or more pillars of Circular Economy.

6 [https://corporate.enel.it/content/dam/enel-it/azienda/circular/KPI-Model\\_3.2018\\_en.pdf](https://corporate.enel.it/content/dam/enel-it/azienda/circular/KPI-Model_3.2018_en.pdf)

# Materiality: Defining priorities

102-15 | 102-44 | 102-46

This report considers the importance of material issues identified by Enel Chile and its stakeholders, according to Global Reporting Initiative's guidelines for the elaboration of sustainability reports.

It informs on the accomplishment of goals set in the 2019-2021 Sustainability Plan and considers the results of the 2019 materiality analysis.

During the first semester of each year, Enel Chile gathers environmental, social, and governance data through an online platform created by the Enel Group to store and analyze information by country and company. During the second semester, this preliminary analysis is supplemented with stakeholders' prioritization regarding issues and subtopics of the Company's strategy. Primary and secondary sources are used in this process, including interviews and press reviews.

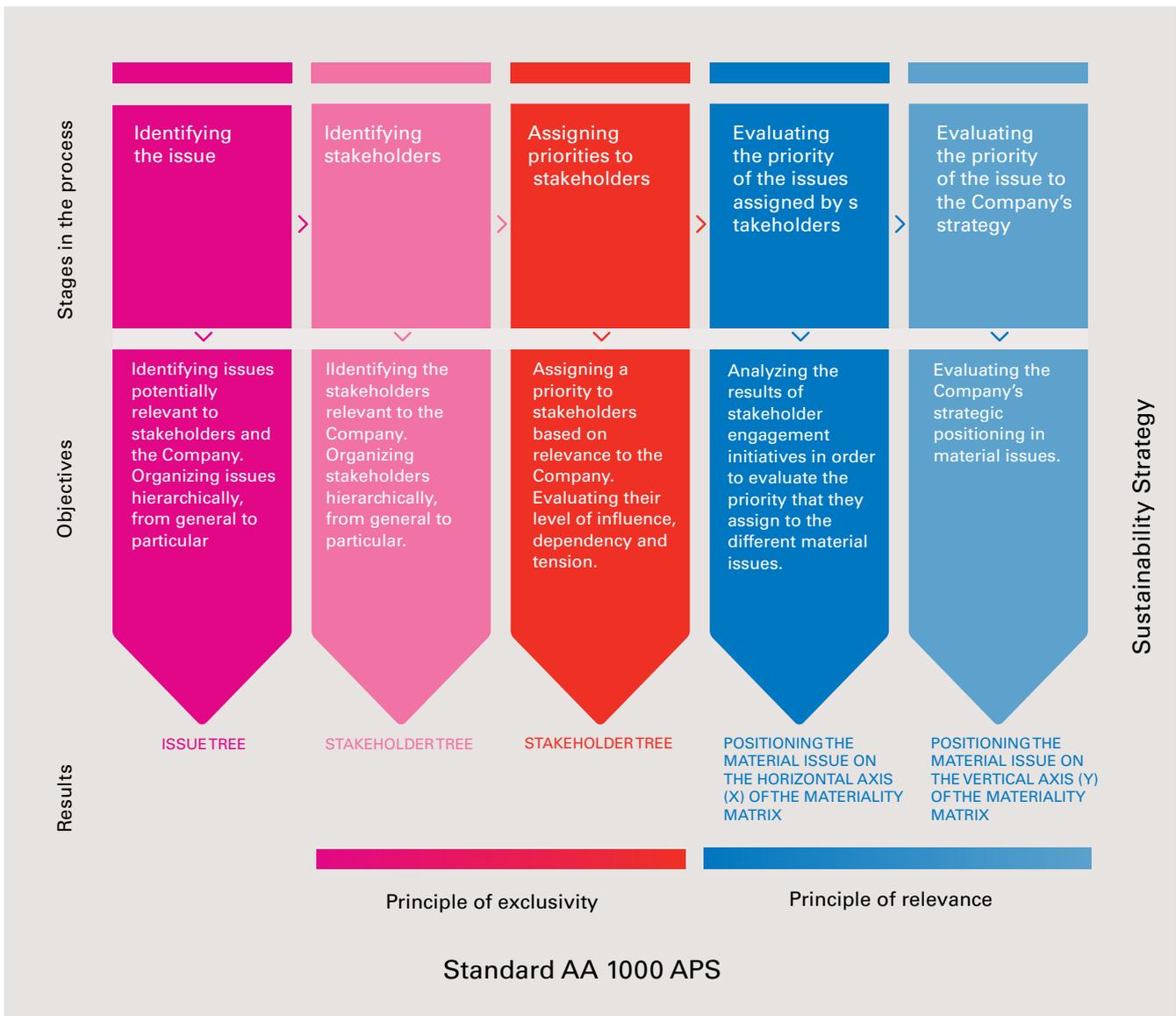
## Identifying Priority Issues

Enel Chile carries out an annual priority identification process to integrate stakeholder's expectations that are in line with the Company's objectives in a structured manner. By means of this procedure, it evaluates and selects economic, ethical, environmental, and social matters that are relevant to their stakeholders and are also strategic priorities of the Company.

Results obtained from this process contribute to the Company's strategic plan and sustainability plan. It also determines the content of the Sustainability Report and contributes to the effective management of stakeholders and their expectations.

The Enel Group developed a methodology that is aligned with international standard AA 1000 APS to carry out the priority identification process for all its companies. The AA 1000 APS standard guides the organization in strategically managing interactions with its stakeholders by following a set of principles: the Inclusivity Principle refers to the accurate identification and inclusion of the company's main stakeholders; the Materiality Principle requires the company to prioritize matters that deserve attention; and the Responsiveness Principle refers to the company's ability to design proper responses and answers to stakeholder's concerns and expectations that create value for the Company and for the communities they provide for.

## Identifying priority issues



# Stakeholder's Participation

102-42

Understanding the expectations of stakeholders is a cornerstone of Enel Chile's sustainability strategy. This approach aims mainly at identifying drivers that make energy models sustainable, competitive and safe, developing perspectives that are innovative, exhaustive, and cutting-edge, to anticipate events, manage risks, and seek differentiation.

The Company's commitment to keep a continuous dialogue with its stakeholders is fundamental for collaboration, development, and trust in the work environment. Essentially, Enel Chile considers that management and communication with stakeholders contributes towards:

- > Improving risk and opportunity management
- > Identifying relevant trends and issues at an early stage.
- > Fostering credibility and trust, enabling synergies.
- > Favoring decision-making processes
- > Cultivating improvement and business opportunities.

Company managers are responsible for managing their respective stakeholders.

## Identifying Stakeholders

Enel Chile checks, identifies and maps its stakeholders at the national and local levels on a regular basis. This map is updated annually to the Company's present reality based on information provided by leaders of different areas and business lines through an internal consultation process.

# Prioritization of Stakeholders

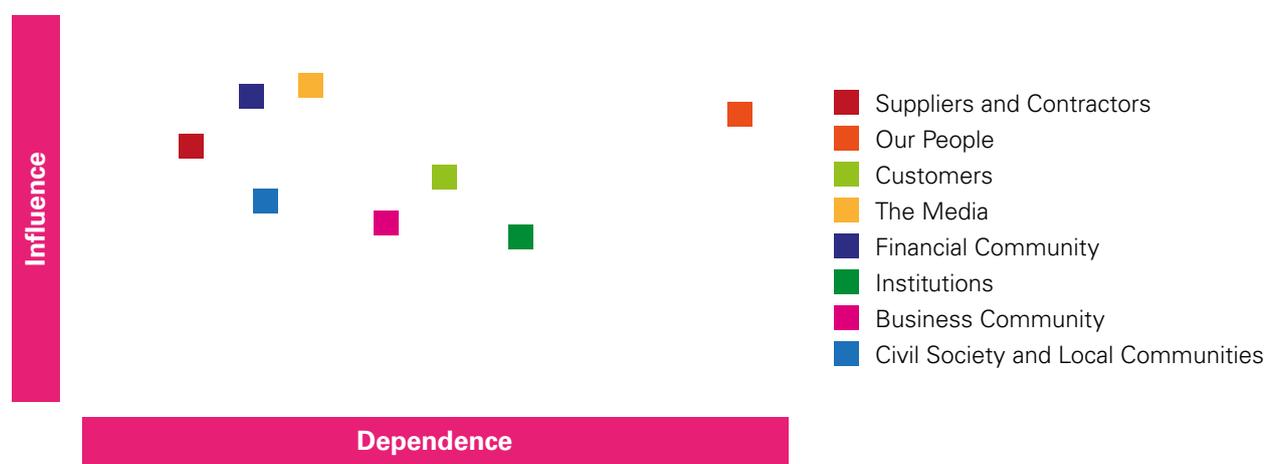
In 2019, stakeholders were prioritized according to their relevance with regard to the Company. The priority was determined with the active participation of the Company's business units and corporate units based on two criteria:

- > **Dependency:** Groups or individuals that directly or indirectly depend on the Company's activities, products or services and its associated functions.
- > **Influence:** Groups and individuals that may have an impact on the organization or strategic stakeholders during the decision-making process.

The combination of both factors reveals the relevance of each stakeholder, which determines each stakeholder's involvement in the process of identifying material issues.

This methodology is applied in all territories where the Company operates, which provides a greater level of detail to improve the design of effective responses.

The analysis performed in 2019 defined the following stakeholders map:

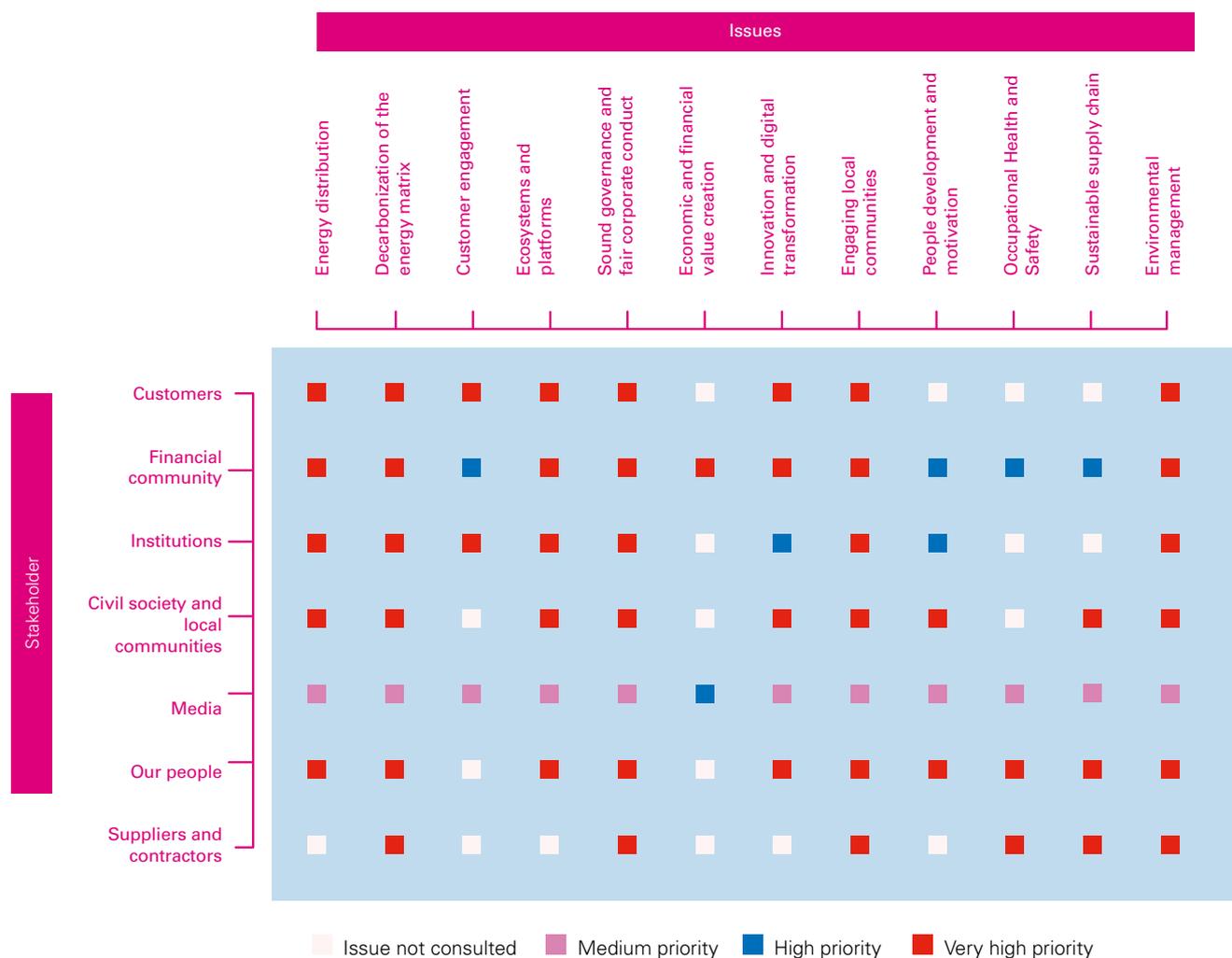


Additionally, each stakeholder group was segmented into subgroups to optimize dialogue and consultation channels to evaluate their perception of Enel Chile's management.

102-43

# Stakeholders' priorities

In 2019, a survey responded by all Enel Chile stakeholders in addition to secondary sources, allowed identifying the following priorities:



Enel Chile responds to identified concerns by providing detailed information in the Sustainability Report about the actions and projects the Company carried out throughout the year. Additionally, these results are a fundamental input to build the 2019 Materiality Matrix, which is part of the Company's 2020 – 2022 Sustainability Plan.

# Communication channels between Enel Chile and its Stakeholders

The Company's operational excellence relies on the continuous interaction with its stakeholders through their regular activities. By means of different communication channels and procedures, Enel Chile acquires solid knowledge of their needs and expectations. Additionally, the whistleblowing channel is available to all stakeholders.

In 2019, the Company used the following channels:

		Stakeholder category									
		Financial community	Suppliers and contractors	Civil society and local communities	Employees	Institutions	Companies and trade associations	Customers	Media		
Communication Channel	Agents	■	■	■	■	■	■	■	■	Agents	
	Mobile App	■	■	■	■	■	■	■	■	Mobile App	
	Complaints channel	■	■	■	■	■	■	■	■	Complaints channel	
	Web channel	■	■	■	■	■	■	■	■	Web channel	
	Press releases	■	■	■	■	■	■	■	■	Press releases	
	Direct contacts	■	■	■	■	■	■	■	■	Direct contacts	
	Forums	■	■	■	■	■	■	■	■	Forums	
	Task force/Teams	■	■	■	■	■	■	■	■	Task force/Teams	
	Dedicated meetings	■	■	■	■	■	■	■	■	Dedicated meetings	
	Investor Day	■	■	■	■	■	■	■	■	Investor Day	
	Cognitive Interviews	■	■	■	■	■	■	■	■	Cognitive Interviews	
	Intranet	■	■	■	■	■	■	■	■	Intranet	
	Enel stores and commercial offices	■	■	■	■	■	■	■	■	Enel stores and commercial offices	
	Newsletter	■	■	■	■	■	■	■	■	Newsletter	
	Roadshow	■	■	■	■	■	■	■	■	Roadshow	
	Social media	■	■	■	■	■	■	■	■	Social media	
Surveys	■	■	■	■	■	■	■	■	Surveys		

# Enel Chile in Social Media

Enel Chile has acquired solid knowledge of its stakeholders' needs and expectations through different communication channels and procedures, such as the web channel, task forces, newsletter, whistleblowing channel, mobile app, and others. The Company is also widely present in social media providing information directed towards all stakeholders and maintaining fluid interactions with virtual communities. The Company shares information about corporate, educational, financial, commercial, sustainability and customer service matters through the Enel accounts in several social platforms (Twitter, Facebook, LinkedIn and Instagram).



Enel Customer Service Account  
Distribución  
@EnelClientesCL  
Enel Chile:  
@Enel\_Chile



@EnelChile



Enel Chile



@EnelChile



# Materiality Study

During 2019, Enel Chile performed a materiality study that became the basis of the priorities established in their 2020-2022 Sustainability Plan. Sources and leaders of stakeholder groups were directly and indirectly consulted.

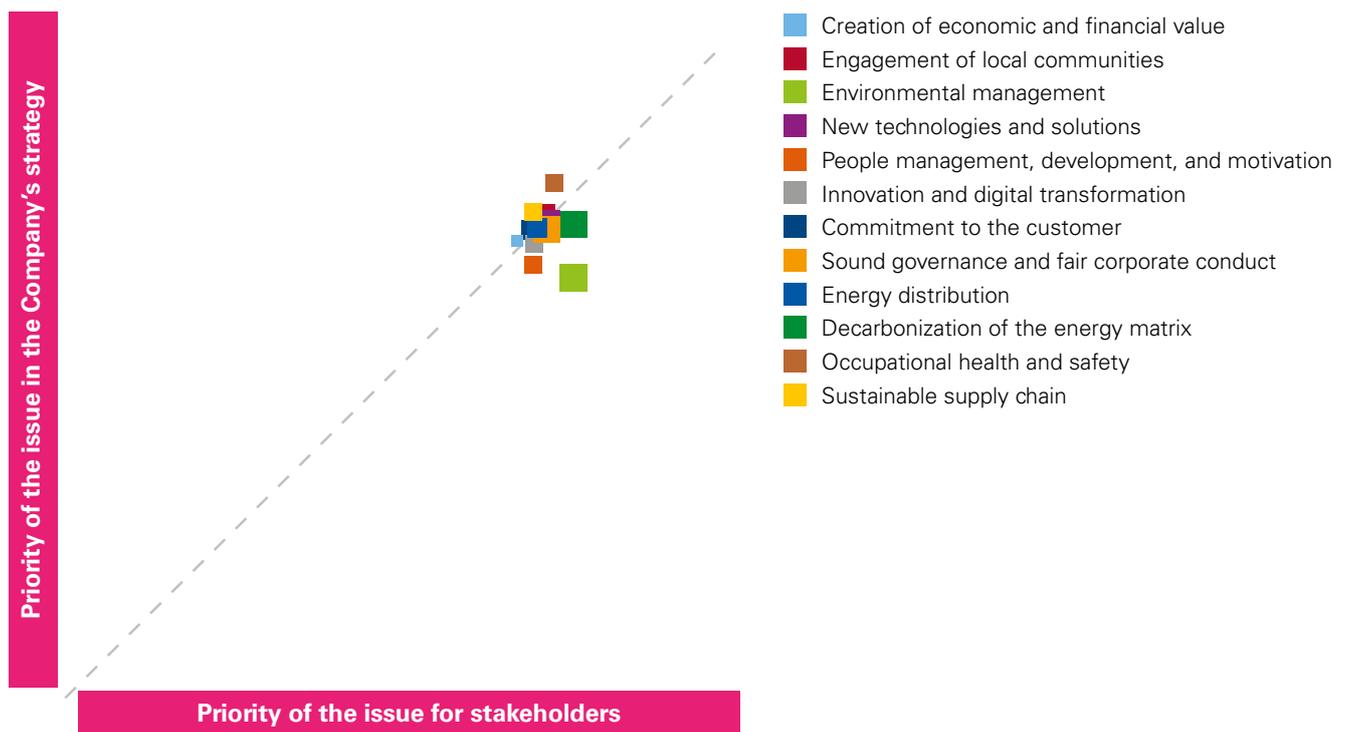
The study involved:

- > Analysis of energy and sustainability trends that could have a present or future impact on the Company's activities.
- > Priority stakeholder surveys
- > Investor and analyst assessments on ESG matters.
- > Mapping issues that are relevant for the industry
- > Analysis of media and social media
- > In-depth Enel Chile senior manager interviews
- > Analysis of reports that include topics related to the Company's sustainability: corporate reputation report, work climate survey, customer satisfaction survey.

The study allowed identifying the Company's strategic topics based on the importance to stakeholders and the Company, which are detailed in the following matrix.

## Enel Chile's 2019 Materiality Matrix

102-47



# Enel Chile's Main Material Topics

The results obtained from Enel Chile's materiality process contributed to identify the topics that are fundamental to the Company's strategy and Sustainability Plan. Every one of the 12 material topics identified in the process are concretely linked to the Sustainable Development Goals (SDG) promoted by United Nations. The main six material topics are presented below:



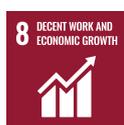
## 1. Occupational Health and Safety

Enel Chile and its stakeholders regard occupational health and safety as a priority for the development of their operations. To that effect, the Company embraces the best practices available to detect and prevent situations that may expose its people and contractors to risks<sup>8</sup>.



## 2. Decarbonization of the Energy Matrix

Climate change is currently the most important challenge for humanity and in this context, Enel Chile and the Ministry of Energy have committed to the decarbonization of Chile's energy matrix to reduce the emission of greenhouse gases. Through this agreement, Enel Chile committed to progressively shut down its coal fired power plants. The Company retired the Central Tarapacá power plant on December 31, 2019, and the retirement of the Central Bocamina 1 plant is scheduled to take place in 2023. Based on the principles of the Just Transition approach, the closure of coal fired power plants are to consider the socio-economic impact of such action and their mitigation.



## 3. Community Engagement

The Company's weaves its operations into the social, economic, and environmental fabric present in the territories where it operates to create value and sustainable development for its stakeholders. This is achieved by creating space for inclusive, transparent and participatory activities and being an active part of the solutions to the communities' main challenges<sup>9</sup>.

<sup>8</sup> Further information in chapter "Occupational Health and Safety", page 212.

<sup>9</sup> Further information in chapter "Engaging Communities", page 114.



## 4. Environmental Management

Due to the nature of the business, Enel Chile's operations impact the environment in various ways, which is why the Company is committed to minimize and/or mitigate its negative externalities by following their Environmental Policy<sup>10</sup> and Biodiversity Policy, among others. The Company's environmental management complies with the highest international standards in this subject matter.<sup>11</sup>



## 5. Development of New solutions and Digitalization

Digital transformation provides new business opportunities based on the development of sustainable energy solutions that diversify the supply of products and services through innovation and the digitalization of processes<sup>12, 13</sup>



## 6. Creation of Financial and Economic Value

Enel Chile is aware that, in order to obtain sustainable economic growth, it must integrate financial and non-financial factors into its entire value chain, considering environmental, social, and governance (ESG)<sup>14</sup> issues. For the Company, Sustainability means long-term value creation for all its stakeholders and can be generated through a model that integrates industrial objectives with sustainability goals.

<sup>10</sup> <https://www.enel.cl/content/dam/enel-cl/en/sustainability/environment/environmental-policy/Environmental-Policy-EnelChile.pdf>

<sup>11</sup> Further information in chapter "Environmental sustainability", page 225.

<sup>12</sup> Further information in chapter "Innovation and Digital Transformation", page 102.

<sup>13</sup> Further information in chapter "Operational improvement for quality service", page 74.

<sup>14</sup> Further information in chapter "Corporate Government", page 184.

102-11	102-15
102-29	102-30

# Risk Assessment

ESG risks (Environmental, Social, and Governance) are an integral part of the Company's risk management policy, and are identified considering the following:

- > Relevant Materiality issues identified in the Global Risks Report 2020 by the World Economic Forum (WEF).
- > Risk evaluations carried out in the context of Human Rights due diligence processes and Integrated Management Systems (environment, quality, and safety) among others.
- > Sustainability qualification analysis carried out by prestigious international agencies that use specific risk assessment systems to define the company's performance level in terms of ESG.

The risk management policy is reviewed and approved by the Board of Directors every year. It includes risks that could affect the achievement of Company objectives and also sustainability risks, among which we highlight the following:

## Environmental risks:

- > Arise as a result of the Company's operations, because of its impact on the environment and biodiversity and its use of resources. Enel has established that the prevention and minimization of the Company's environmental impact and related risks are fundamental and determinant elements throughout the entire life cycle of every project.
- > Arise as a result of climate change, due to the impact of extreme events on the availability of assets and infrastructure, and due to the impact of the energy matrix transition on the sustainability of the business model. Enel Chile has adopted asset prevention, protection, and resilience strategies and also insurance plans to face the impact on asset and infrastructure availability. The Company's business model involves decarbonization and electrification of consumption as strategies to move towards a low-emissions economy.

## Social risks:

- > Social conflicts that may represent a risk to the continuity of operations. Enel Chile has contingency management plans and procedures in place to face these potential risks. Aware of the strategic role of electricity in Chile, these plans prioritize uninterrupted electricity generation, customer electricity supply, and employee safety.
- > Conflicts resulting from the demands of communities that neighbor our power plants. Enel Chile has teams working directly on site that maintain a continuous relationship with local communities. The Company makes social investments in the territories in which it operates to create the necessary conditions for communities' socio-economic development by co-designing long term growth initiatives.
- > Caused by own personnel or contractor accidents. The Company mitigates these risks by promoting a culture based on safety, developing policies and including safety practices in procedures and training workshops, among others.
- > Related to attracting and maintaining workers within the context of the energy matrix transition. To face these challenges, Enel Chile has a Diversity Policy, and talent management and promotion policies. The Company carries out several work-life balance initiatives and promotes education and personal growth through scholarships and courses.

## Governance Risks:

- > Related to illicit behavior, including corruption, lobbying, etc., and anti-competitive practices of own personnel or contractors. Enel relies on an Internal Control and Risk Management System based on commercial norms and procedures to face this risk.
- > Human Rights violations that are detected through due diligences, which lead to action plans designed to address these breaches.

## Country DPO functions:

- To monitor the evolution of privacy/data protection laws;
- To ensure privacy/data protection compliance, providing related legal assistance;
- To assist the relevant data controller/processor for data protection risk assessment and related mitigation activities by appropriate technical and organizational measures;
- To maintain relations with National Data Protection Authority and inquiries management.

Additionally, this category includes transversal risks related to:

- > **Protection of personal data:** Collecting and processing personal data is one of the greatest challenges of market digitalization and globalization. Enel Chile has taken on this challenge by accelerating digital transformation processes, while increasing the number of clients per country wherever the Company is present. This implies natural exposure to risks linked to processing personal data, and increasingly broad privacy laws, where inadequate implementation may cause financial and economic loss, and may harm the reputation of our Company, and of the owners of said data. Seeking to manage and mitigate these risks, Enel Chile has adopted a framework that guarantees the protection of personal data of anyone who interacts with the Company. For this purpose, Enel complies with current Chilean legislation, mainly Law 19,628 regarding Private life protection, and is gradually implementing measures that are in line with the European Union's General Data Protection Regulation (GDPR). Even though these norms haven't been legally established in Chile, the Enel Group has included them in their protection standards. Therefore, the Company has defined a Personal Data Protection Officer ("DPO"), who will be responsible for supporting the different business units to make personal data protection a key element in every business activity.
- > **Digitalization, IT effectiveness and service continuity:** the Enel Group is performing a complete digital transformation of its entire value chain, developing new business models and digitalizing processes. This makes the Company more exposed to risks associated with the operation of companywide IT systems, which could lead to service interruptions or loss of data. In order to mitigate these risks, the Company's Global Digital Solutions (GDS) department has established an internal control system that has placed monitoring points throughout the entire value chain. Enel is also promoting a digital culture to successfully implement its digital transformation and minimize related risks.

Further details can be found in Enel Chile's Annual Report, available at <https://www.enel.cl/content/dam/enel-cl/en/investors/enel-chile/reports/annual-reports/2019/Enel-Chile-Annual-Report-2019.pdf>

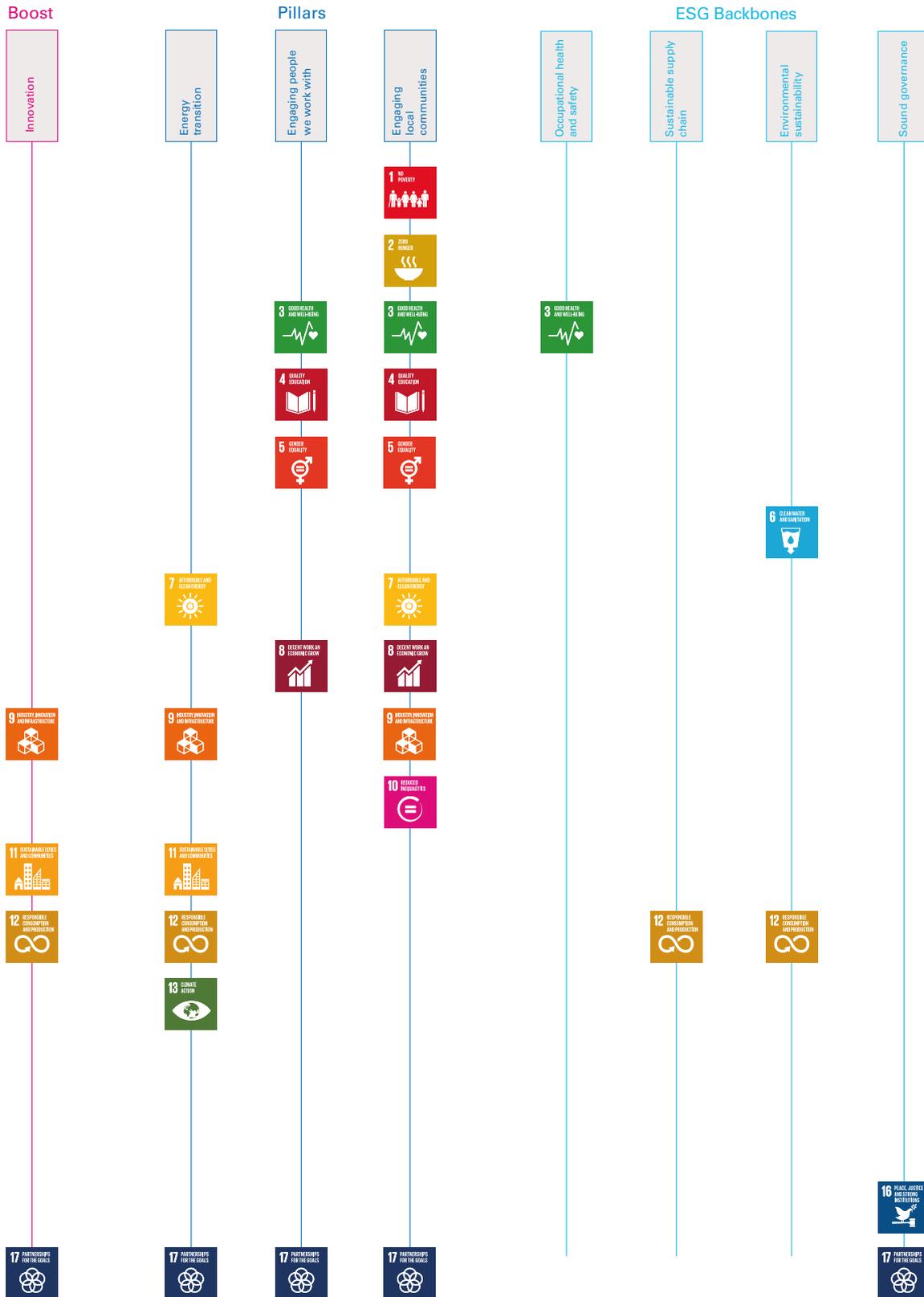
# Sustainable Development Goals (SDG)

Enel Chile's business strategy has led the Company to substantially contribute towards reaching the Sustainable Development Goals (SDG) promoted by the United Nations. The company has adhered to six of these goals, orienting management cross-sectionally, with the purpose of being carbon-neutral by the year 2050. The objectives are: SDG 4 on quality education; SDG 7 on affordable and clean energy; SDG 8 on contributing to the socio-economic growth of neighboring communities; SDG 9 on promoting innovation in the context of responsible industrialization and resilient infrastructure; SDG 11 on creating sustainable cities and communities; and SDG 13 on climate action.

Source: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



# Enel's energy commitment to the SDGs





# 2020-2022 Sustainability Plan

The 2020-2022 Sustainability Plan will guide Enel Chile's endeavors for the next three years, allowing the Company to navigate towards the energy transition that is moving forward at an increasingly rapid pace. The Sustainability plan is integrated into the Company's Industrial Plan and considers the main trends and national contingencies that impact the energy industry, the most relevant risks, and the priorities of the Company's stakeholders.

The Sustainability and Community Relations department monitors compliance and progress of each one of the Plan's goals and objectives.

The following pages of this report present the results of the 2019-2021 plan in 2019, which is geared towards sustainable long-term value creation and has four focal points. The first two are described in the chapters regarding Growth through low-carbon technologies and Operational improvements for a quality service for our customers, both related to the energy transition process through decarbonization and electrification. The third focal point refers to social issues such as the sustainability of our assets regarding neighboring communities, and the fourth focal point refers to initiatives and programs for the Company's collaborators.

The plan is based on five pillars that support our strategy: occupational health and safety, solid corporate governance, environmental management sustainability, supply chain sustainability, and economic value creation.

The plan's enabling element is innovation, which is considered indispensable for the sustainability of the business, and for the company's internal and external social relationships.

Enel Chile's Sustainability Strategy considers contributing to the world's biggest challenges through the operations of its business. Therefore, the strategy is in line with the UN's Sustainable Development Goals, with Human Rights principles, with the goals of country's social and environmental development policies, and with investors relevant ESG standards, as evidenced in the Company's several sustainability indexes.

# Sustainability Plan

2020-2022

I N N O V A T I O N



## Our people

2022 Target



## Engaging local communities<sup>3</sup>

2030 Target

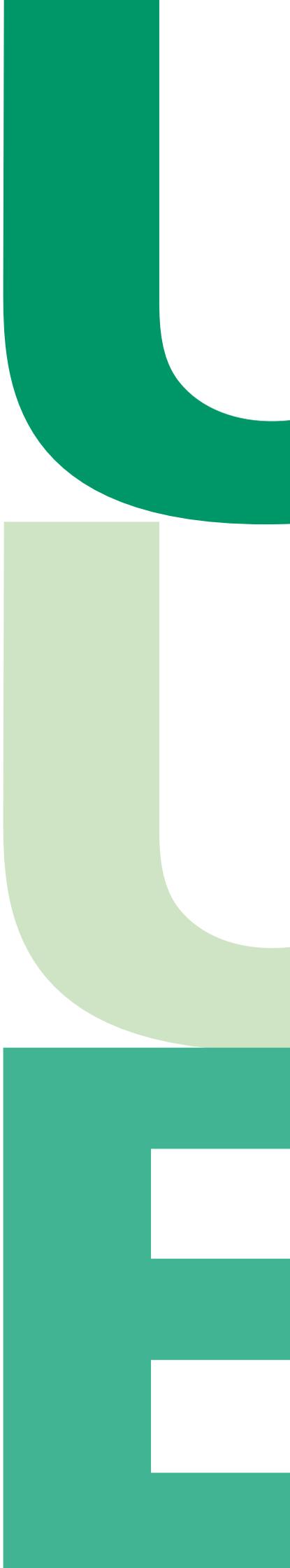


1. Does not include selection processes involving internal workers

2. Eligible and accessible: those who have a permanent contract and who have been in force and active for at least three months of the year 2019

3. Accumulated since 2015





## 2. LONG-TERM SUSTAINABLE VALUE CREATION



# Growth through low-carbon technologies and services

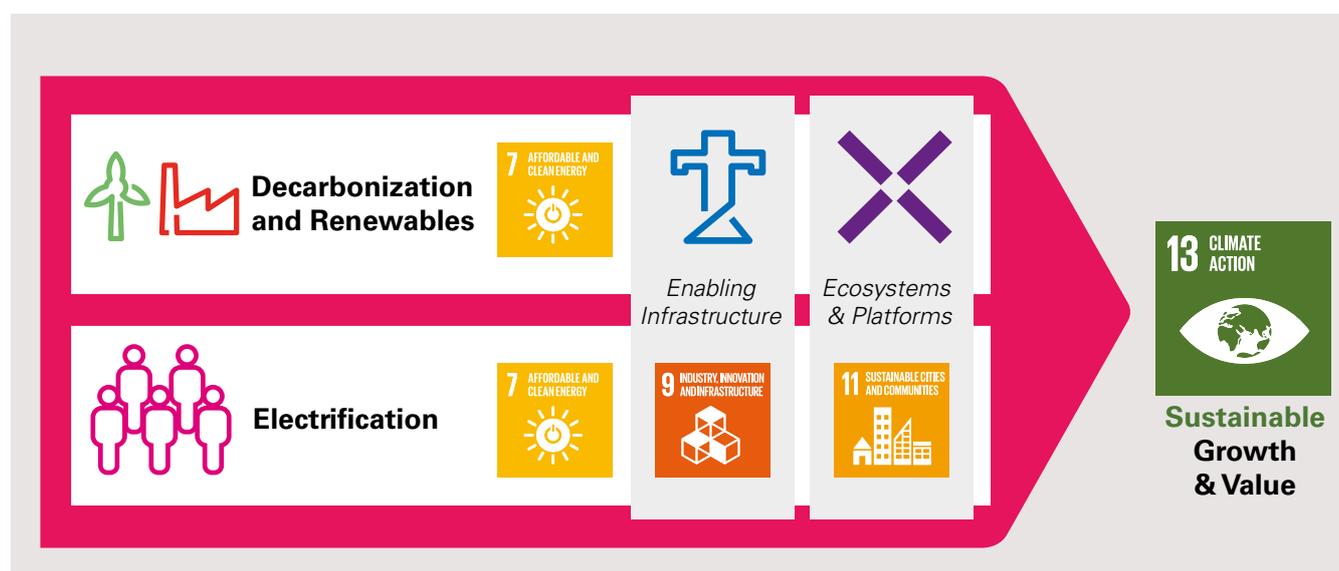
The Enel Group is aware that one of the main threats to the Sustainability of our planet is the risks associated to the current climate crisis, linked to rising global temperatures due greenhouse gas emissions, among other variables. Major international organizations, the Intergovernmental Panel on Climate Change (IPCC) in particular, have warned about the need to maintain the rise in global temperature under 1.5°C, when compared to the preindustrial era. Facing this serious situation, the Enel Group has established a global strategy aiming towards decarbonizing its generation mix by the year 2050, in line with its commitment to the United Nation's Sustainable Development Goal (SDG) number 13, which promotes Climate Action.

In this context, the Enel Group wants to be a proactive player, and has therefore committed to reduce its CO<sub>2</sub> emissions per kWh by 70% when compared to the level in 2017, in line with the latest April 2019 version of Science Based Targets Initiative (SBTI). Additionally, the Company has committed to reduce its indirect emissions by 16% by the year 2030, when compared to 2017. Enel Chile contributes to the achievement of the Enel Group's goals by aligning its business strategy with Climate Action.

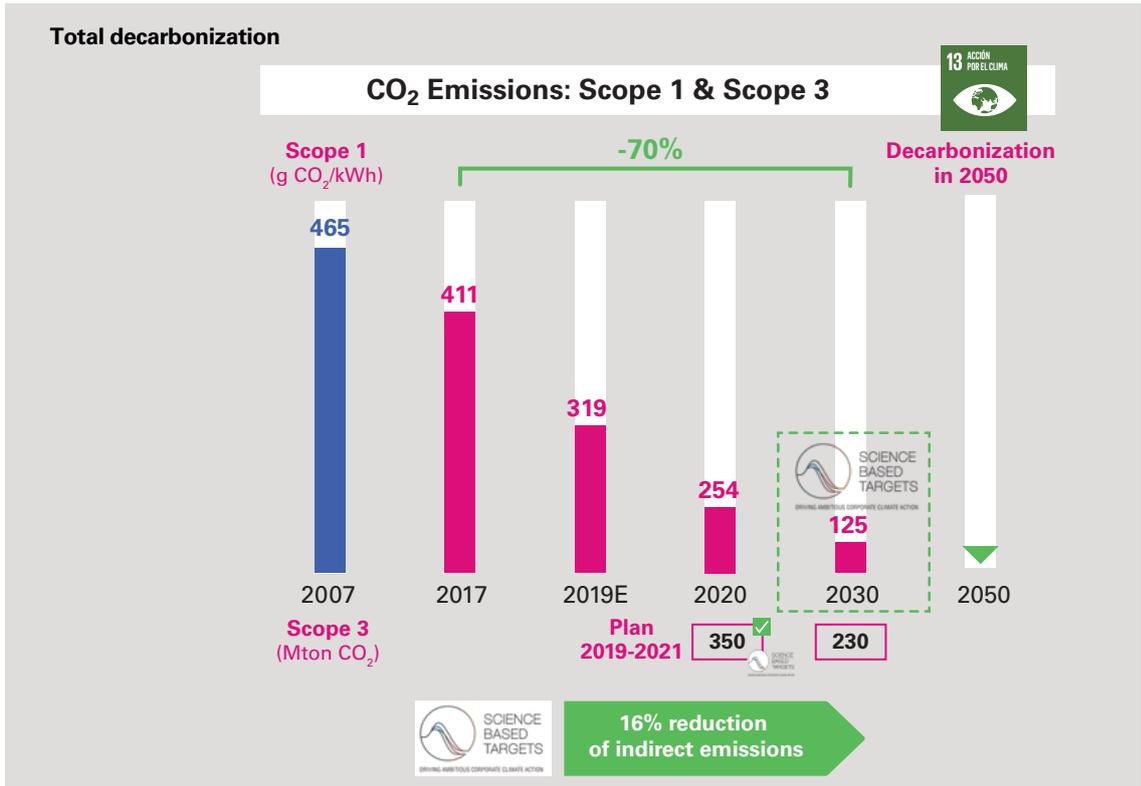
Enel Chile is fully aware of its role in contributing to resilience to climate change and to social events related to urbanization. Hence, the Company supports its low-carbon services through the electrification of cities, quality services, and network digitalization, and by providing mainly renewable electricity generation, leading the transition towards a low-carbon economy in the country.

# Energy transition towards a decarbonized matrix

For Enel Chile, sustainability is the guiding principle of all its projects, it contributes to the growth of the industry and has taken a leading role in the energy transition. The Company operates considering its commitment to SDG 13, aimed towards Climate Action, in line with the "Energy Roadmap 2018-2022"<sup>15</sup> established by the Ministry of Energy, which promotes the decarbonization process of the energy matrix. This is materialized through the gradual closure of coal fired power plants and increasing renewable generation capacity.



<sup>15</sup> <https://www.energia.gob.cl/rutaenergetica2018-2022.pdf>



There are three ways in which Enel Chile emits greenhouse gases and carbon, through the use or consumption of energy.

SCOPE 1	SCOPE 2	SCOPE 3
<p><b>Enel Distribución Chle/Enel X (*)</b></p> <ul style="list-style-type: none"> <li>• Generation of electricity through emergency generators at power substations</li> <li>• SF6 Emissions</li> <li>• Own vehicle fleet.</li> </ul> <p><b>Enel Generación Chle/Enel Green Power (**)</b></p> <ol style="list-style-type: none"> <li>1. Electricity generation</li> <li>2. Generation of generators</li> <li>3. SF6 Emissions.</li> </ol> <p><b>Enel Chile</b></p> <ol style="list-style-type: none"> <li>1. Generation of electricity through generators</li> </ol>	<p><b>Enel Distribución Chle/Enel X (*)</b></p> <ol style="list-style-type: none"> <li>1. Corporate building, branches, and electrical substations electricity consumption.</li> <li>2. Electricity network losses</li> </ol> <p><b>Enel Generación Chle/Enel Green Power (**)</b></p> <ol style="list-style-type: none"> <li>1. Power plant consumption</li> <li>2. Corporate building electricity consumption</li> </ol> <p><b>Enel Chile</b></p> <ul style="list-style-type: none"> <li>• Corporate building electricity consumption.</li> </ul>	<p><b>Enel Distribución Chle/Enel X (*)</b></p> <ul style="list-style-type: none"> <li>• Work trips (plane, taxi and leasing).</li> <li>• Task force trips</li> <li>• Energy purchases</li> <li>• Generation of solid waste.</li> </ul> <p><b>Enel Generación Chle/Enel Green Power (**)</b></p> <ul style="list-style-type: none"> <li>• Work trips (plane, taxi and leasing).</li> <li>• Transportation of fuel (by land, sea, and gas pipelines). (***)</li> <li>• Generation of solid waste.</li> </ul> <p><b>Enel Chile</b></p> <ul style="list-style-type: none"> <li>• Work trips</li> <li>• Generation of solid waste.</li> </ul>

\* Since 2019

\*\* Since 2018

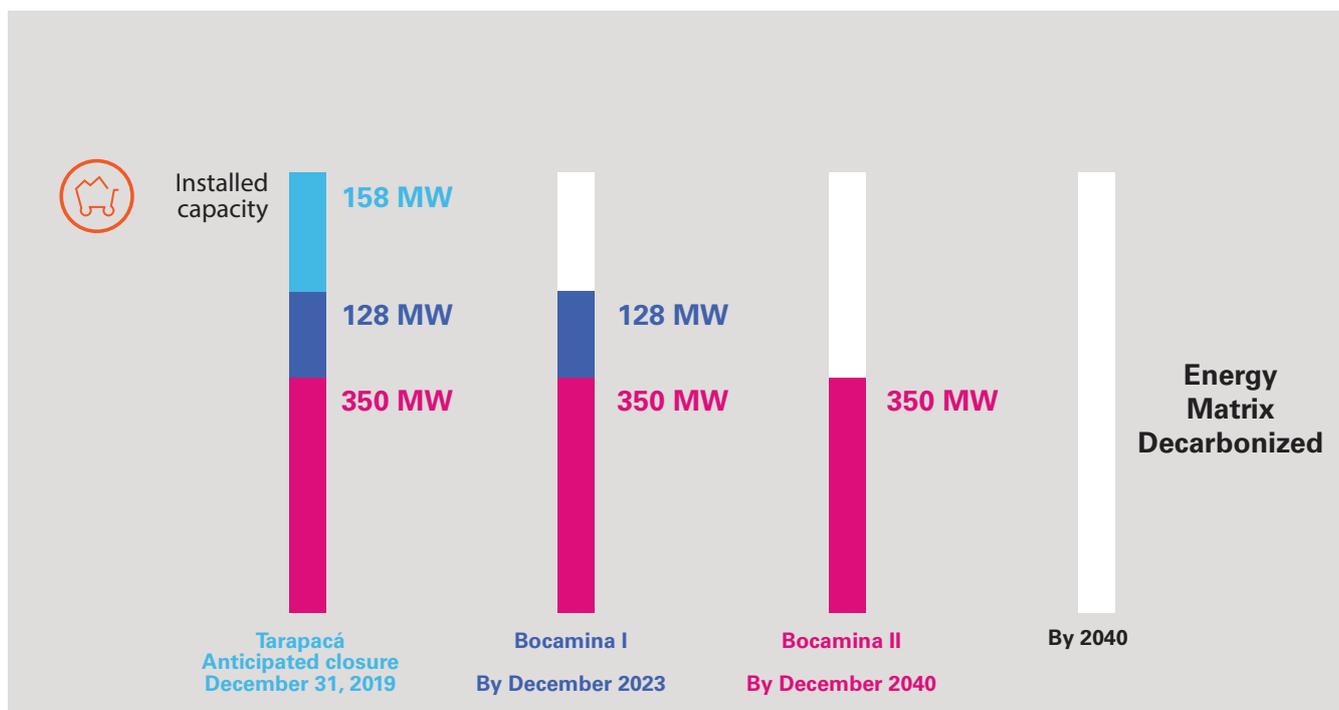
\*\*\*It is the Atacama-Taltal Gas Pipeline that operates at low capacity (roughly 4% of its capacity) and without a compressor which has reduced gas leaks to zero (0%) over the last 3 years

Enel Chile was the first Company to close a coal fired power plant and is also the main operator of renewable energy plants with its 4,723 MW installed capacity that represents 65% of its generation mix. The Company's leadership in Chile is confirmed by its policy to not build new fossil fuel power plants, which is in line with the agreement between Enel Chile and the Ministry of Energy that includes the progressive closure of all coal fired power plants.

# Closure of the Tarapacá Thermoelectric Power Plant

The retirement of the Tarapacá Power Plant was carried out under a Just Transition process focused on collaborators, analyzing each worker's context, aiming to relocate each employee within the Company and offering convenient alternatives for those who chose to leave the Company.<sup>16</sup>

Chile has set the goal to have renewable energy sources represent 75% of the energy matrix by 2030. Enel Chile's role in this endeavor is crucial because it is the largest electricity generation company in Chile in terms of installed capacity. Therefore, the Company has agreed to close its three coal fueled power plants in Chile, beginning with the 158 MW Tarapacá Power Plant. This power plant was retired on December 31, 2019, hence reducing CO<sub>2</sub> emissions by 450,000 tons per year.



<sup>16</sup> For further information regarding the Just Transition process developed in the Tarapacá Power Plant, see page 178.

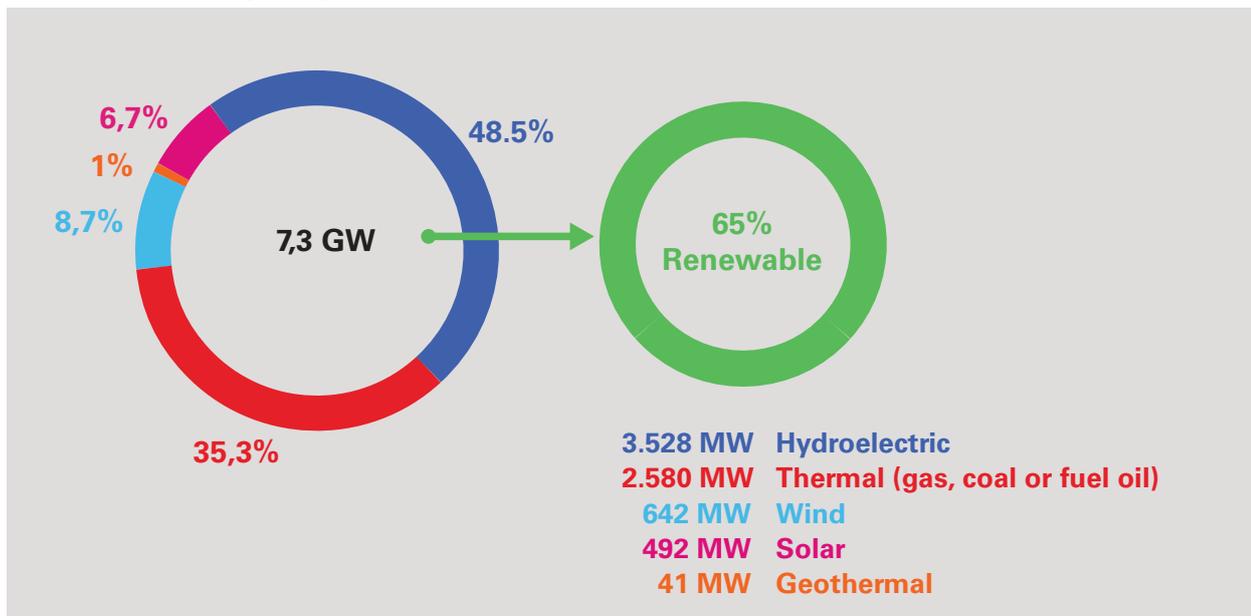
# Renewable Energy Growth



In the context of the climate crisis and considering possible socio-environmental risks that could affect operations, Enel Chile, through its subsidiaries, builds and manages generation plants based on renewable sources. Within its decarbonization strategy, the Company announced its new strategic plan on December 2019, which increases renewable capacity in 2 GW by 2022. Therefore, Enel Chile’s installed capacity will total roughly 9.2 GW by 2022, increasing renewable sourced energy from 65% to 73% of its generation matrix.

During 2019, Enel Chile consolidated its leadership position in the country’s energy transition, contributing with nearly 43% of the country’s renewable energy.

## 2019 installed capacity



Geotérmica del Norte, a joint venture undertaken by Enel Green Power and ENAP, began the construction of a third geothermal electricity generation unit Cerro Pabellón III that will add 33 MW to the existing 41 MW provided by Cerro Pabellón I and II. Once this third unit is completely operational, the Cerro Pabellón geothermal facility will generate 600 GWh per year and will avoid the emission of 470,000 tons of CO<sub>2</sub> into the atmosphere.

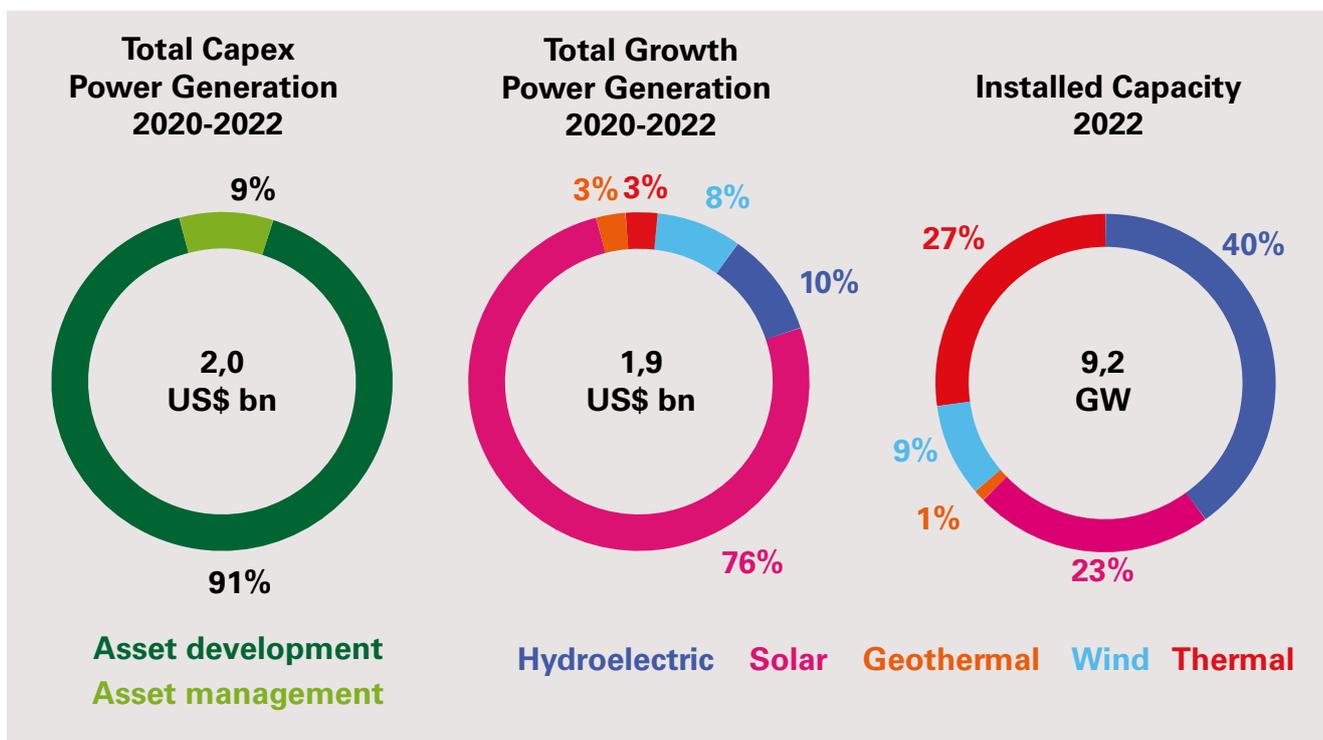
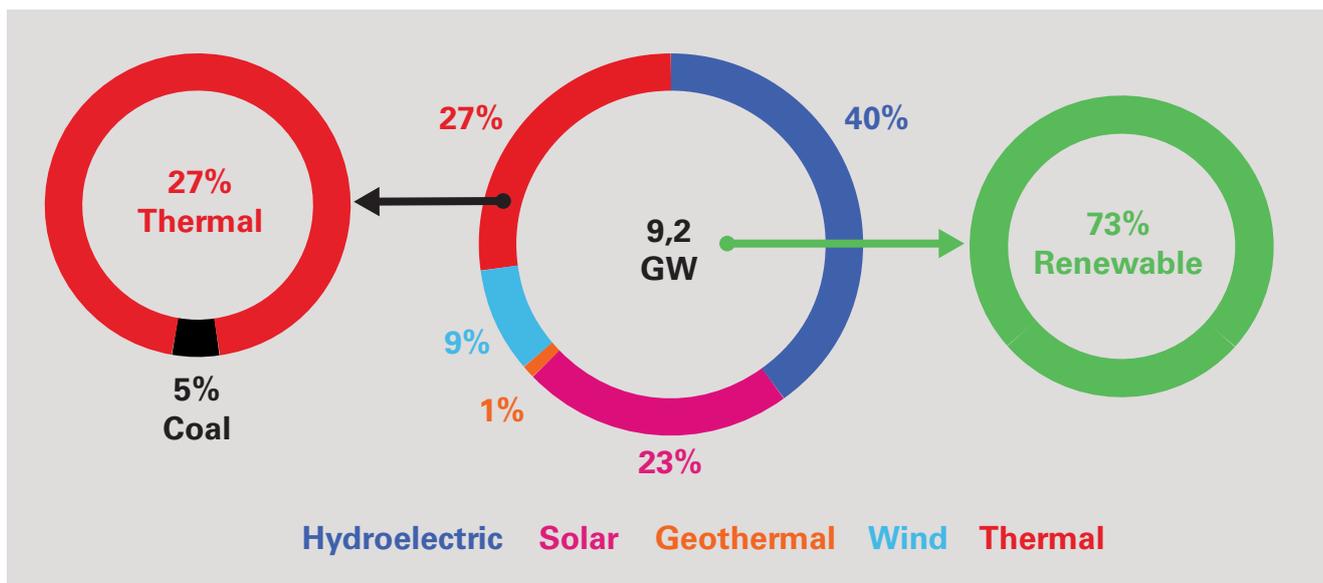


17 Source: National Electricity Coordinator (*Coordinador Eléctrico Nacional*)

The investments performed in 2019 were focused on the development of hydroelectric and non-conventional renewable energy projects that are environmentally and socially responsible to guarantee an adequate level of supply.

The main investments were related to the construction of the Central Los Cóndores hydroelectric power plant (150 MW capacity), of the Central Campos del Sol solar plant (382 MW capacity), and of the Central Cerro Pabellón III geothermal plant (33 MW capacity).

**The Company will grow about 24%, totaling 9.2 GW of Installed Capacity in 2022**



# Water Crisis

The climate crisis has seriously affected Chile over the past few years. The drought has intensified, affecting the performance of hydroelectric power plants, which reduced hydroelectric generation by 7% in 2019. This had a negative impact on the amount of CO<sub>2</sub> emissions per kWh. Hence, the development of new wind, solar, and geothermal power plants has accelerated. Simultaneously, in terms of water management, Enel Chile is carrying out programs for the conservation of basins and their ecosystems, along with improving the efficiency of thermal power plants, allowing to optimize the use of water.<sup>19</sup>

Nevertheless, electricity from renewable energy sources increased from 13,778 GWh to 13,808 GWh during 2019, thanks to non-conventional renewable electricity generation throughout the year.

Emissions gCO <sub>2</sub> /kWh <sub>eq</sub>		
2017	2018	2019
238	192	227

## Demographic Growth and Urbanization: New challenges for the industry

According to studies carried out by the United Nations, over half of the world's population currently lives in urban areas, where the energy industry plays a fundamental role.

Enel Chile contributes with innovative solutions, offering new uses to energy to develop safer, resilient, more inclusive, and sustainable cities.

<sup>19</sup> For further information regarding the operations carried out in the thermal power plants to improve their efficiency, see page 75 in chapter "Operational Improvements"

# Enel X

Enel Chile created Enel X as its strategy to face the opportunities and challenges of a changing industry seeking to develop products and services based on renewable energies. The purpose of Enel X is to satisfy the needs of cities, companies, and people, and contribute to the urban transformation by providing services that offer sustainable solutions in terms of infrastructure and electric mobility.

This business line seeks to lead a change in the paradigm of energy consumption and management, anticipating new needs imposed by the energy transition. This subsidiary's business includes four strategic pillars: E-Mobility, E-Home, E-City, and E-Industries. They develop different solutions for the multiple urban necessities that require electricity, which is why innovation is the cornerstone of the transition promoted by Enel X.



# E- Mobility



## Target audience:

- Vehicle owners
- Owners and operators of company vehicle fleets, car dealerships, parking area owners or administrators (hotels, retailers, real-estate companies, malls, etc.)
- Public transport fleet operators



## Strategic alliances:

- Public transport operators to electrify buses, either by providing vehicles and/or charging stations.
- Municipalities that allow the installation of charging infrastructure.
- Car dealerships and distributors to provide, install, and maintain charging points for their end customers.

## First National Electric Route “Connecting Chile”

Enel Chile is currently working on implementing the first national electric route that will connect Chile from Arica to Punta Arenas, offering 1,200 charging stations for electric vehicles. The project will be carried out over a period of 5 years and will cover more than 50% of the energy charging infrastructure needs of over 81,000 electric vehicles expected to exist in Chile by 2025. During 2019, more than 80 public charging stations were installed, reaching a total of 104 stations nation-wide.

Connect Chile from Arica to Punta Arenas (5,000 km)	
Installation of 1,200 charging stations and 1,800 chargers for vehicles	
Initial investment US\$ 15 million	
Reduce pollution in cities by using more efficiently on a daily basis	

## Formula-E in Santiago: speed and adrenaline using renewable energies

On January 26, 2019, the international sports car competition Formula-E was held for the second consecutive year in Santiago's Parque O'Higgins. It attracted thousands of fans that love clean energy fueled speed. Enel participated as the competition's Official Power Partner, providing energy for all competitors.

## Inauguration of the first bidirectional charging network (V2G) for electric vehicles in Latin America

In the context of a public-private agreement led by Enel X, Nissan, and the Sustainable Energy Agency, the V2G (Vehicle to Grid) project is a major event for electromobility in the country. It inaugurated Latin America's first smart charger of this sort, and it not only charges electric vehicles, but also provides the energy from its batteries to feed any electric equipment.

This breakthrough will help stabilize the country's distribution network by injecting energy into the national network during high-consumption periods, or by storing energy in various situations, such as emergencies or power outages.

## Electric Corridor for Public Transportation Buses

In Alliance with METBUS, an operator of public transportation routes in Avenida Grecia, and BYD, the automobile company partner, a three-phase project was developed to provide 285 electric buses for the capital's public transport system, including electric bus stops. This made Avenida Grecia Santiago's first corridor fully powered by electricity, reducing CO<sub>2</sub> emissions by 31 tons per bus annually. The project was recognized by the International Public Transportation Union ("UTIP" in its Spanish acronym) and by the Sustainable Energy Agency.

## EMO (Electric Mobility Operator) with Nissan Chile

The negotiations between Enel X and Nissan Chile concluded successfully in 2019. They reached an agreement, the first of its kind, making Enel X, Nissan's official supplier and installer of electric vehicle chargers. This alliance allows our company to directly contact the customers that have bought an electric vehicle to offer them an efficient and intelligent charging system, including its installation and support on its use and benefits to ensure quality in both installation and after-sale service.

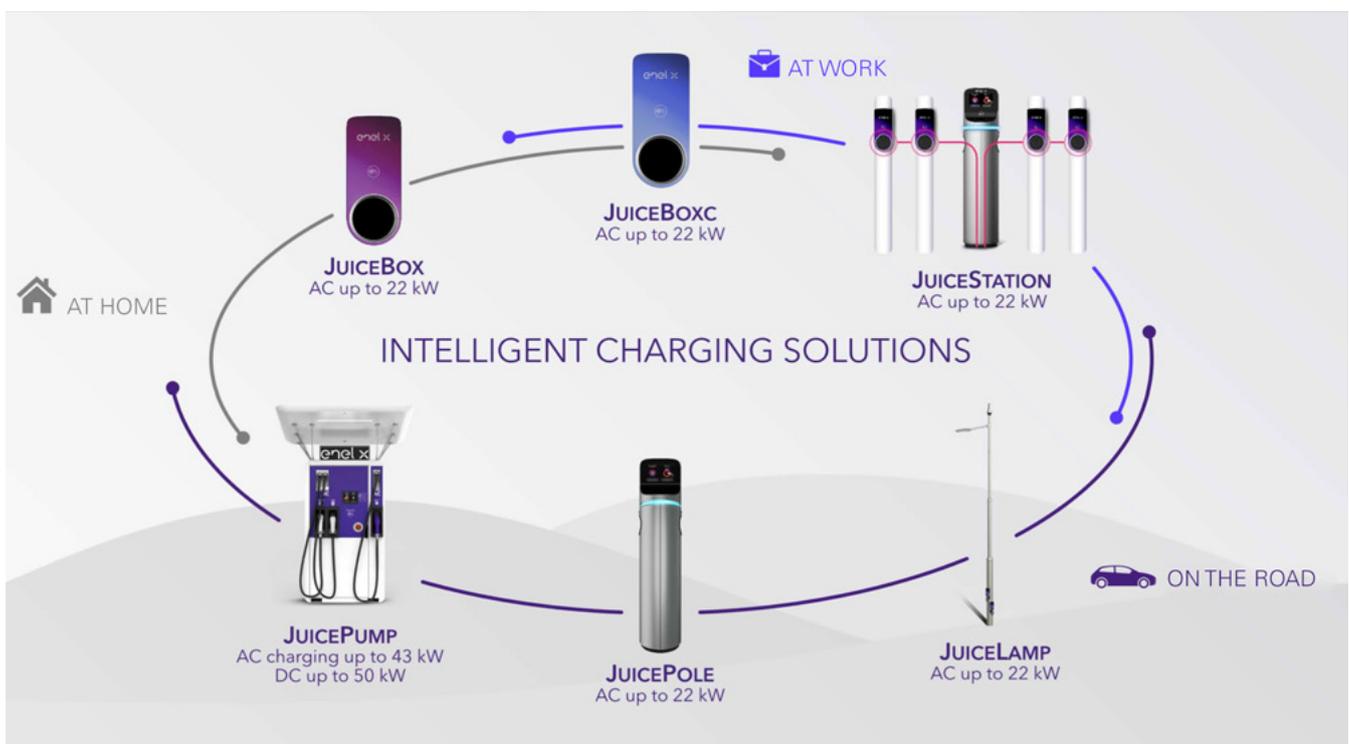
During the year, more than 30 chargers were installed in Nissan's offices and for its clients.



Enel X is leading the industry in electric public transportation in Latin America. Within the region, Chile is leading in electromobility. Enel Chile has acted in the promotion of electric vehicles among its employees, offering it employees alternatives to finance the purchase an electric vehicle and provide charging stations in the Company's parking lots. To this date, the fleet consists of about 50 electric cars.

## Intelligent Charging Solutions in Latin America

Intelligent charging systems are products offered by Enel X that involve smart charging services and remotely monitored equipment. They are products that use cutting-edge technology to allow clients to manage their electricity consumption and costs. These solutions allow customers to avoid peak consumption times when electricity is more expensive and improve scalability in terms of number of chargers by adjusting the equipment to use existing distribution infrastructure, in buildings and condominiums.



# E- Home



## Target audience:

- Residential customers
- Micro-enterprises
- Local public entities such as municipalities, Planning Departments, and Community Development Offices because they concentrate residential and small businesses demand.



## Strategic alliances:

Commercial strategies with suppliers and electricians for the sale of mass consumer products

With partners in insurance and assistance companies

With health and educational corporations to implement temperature control projects in different establishments that require residential-type solutions

## Climate Control Systems in Schools in Renca and Peñalolén

Municipal Educational Corporations need to improve the climate control infrastructure in their schools. Enel X managed the installation of 430 cutting-edge air conditioners in 12 schools in Peñalolén county and 448 in 14 schools in Renca county, which also required performing adjustments to the electrical system of the educational facilities.

The project has improved the quality of life and academic performance of the students while they are at school and has reduced electricity consumption by 30%.

Products and services mix offered by E-Home are divided into:

## Home Service Solutions:

**Air conditioning:** Energy efficient products with wi-fi technology that make household climate control more efficient. These products are sold including installation, warranty, and maintenance, to extend their durability. They are marketed through various mass media such as e-commerce, call centers, and field events, but they are also sold as part of heating replacement projects with communities in which a highly contaminating home heating system is replaced with clean and efficient air conditioning equipment.

**Photovoltaic generation system:** This product includes its installation, certification and integration into the network. This domestic self-generation system allows households to generate electricity at home and inject excess power back into the network.

**Illumination:** Enel X sells products with LED technology that contribute to reduce domestic electricity consumption.

**Light electric vehicles:** The Company offers scooters and electric bicycles, which give people a more efficient and environmentally friendly alternative to traditional means of transportation.

### **Replacing firewood heaters with HVAC units to compensate for the emissions from the productive sector**

This project allows companies to compensate for their emissions, while contributing to families' well-being by replacing firewood heaters with inverter technology climate control equipment that is free of cost. Organizations that surpass their emissions limit, in either new or existing projects, must submit an Emissions Compensation Program to the Regional Office of the Ministry of Environment ("SEREMI" in its Spanish acronym), which are overseen by the Superintendence of Environment. Families can register at will through their municipalities, which is followed by a technical visit to confirm that the installation of the equipment is viable. If it is feasible, the equipment is installed, and the family is trained to use it correctly and efficiently. Then, the firewood heaters are removed and recycled.

By 2019, a total 5,232 heaters have been replaced, compensating for 17,004 tons of CO<sub>2</sub> emissions and 104.64 tons of MP2.5.

## Home Finance & Insurance Solutions:

**Insurance and Assistance:** Range of home insurance and assistance products that are made accessible to a segment of the population that could usually not afford them due to limited financial resources. These services are charged in the customer's monthly electricity bill.

**Third-party Collections:** Enel Chile offers third parties the possibility to bill their customers using Enel's monthly electricity bill. This allows companies to massify their sales and access a safe billing and collections channel for customers located in Enel's concession area.

## E-City



### Target audience:

- Municipalities
- Various public and government entities



### Strategic alliances:

With collaborating companies that complement Enel X's value proposition providing technical services. For instance, companies that install public lighting, CCTV, power efficiency services, etc.

## Awarded Comprehensive Maintenance Service Contract of Valdivia's Public Lighting

Public lighting projects are a contribution to the social development of communities that improve public safety, and operational and energy efficiency.

In this case, Enel X was awarded a contract to replace and maintain the public lighting of Valdivia, a city in southern Chile, hence consolidating its presence outside of Enel Chile's concession area.

According to estimates, a total of 144 thousand people will benefit from the replacement of 15,920 streetlights to be replaced with LED units, in addition to 55 new LED equipment for pedestrian facilities. The streetlights to be installed will have the necessary technology to be remotely operated in the future. Additionally, an electric vehicle was provided for municipal use, and three electric chargers were installed in public streets.

Electrification for isolated areas and self-generation and energy storage devices for isolated families

Currently, there are still 7,600 families or households throughout the country that have no or very limited access to electricity. Their situation is aggravated by the disperse geographical location in areas where interventions are very complex. Faced with this reality, Enel Chile, alongside the Ministry of Energy, developed several electrification projects involving self-generation and storage to:

- > Improve their living conditions.
- > Reduce migration of indigenous communities.
- > Promote the productive development of communities, despite their isolation.

In this context, the Putre project was implemented in Chilean Highlands at an average altitude of 4,303 meters. The project initially involved the installation of self-generation systems with storage capability for 30 families.

In January 2019, we visited Putre with the Ministry of Energy's team and realized that there were a considerable number of homes in the area without access to electricity. The project was consequently expanded to reach more families. Enel made additional efforts, dedicating resources to develop the basic engineering required to install electricity systems for 50 families.

Enel X has developed the project's basic engineering, generating efficiencies that optimized the total cost. Consequently, the cost of the initiative for 50 families amounted to approximately Ch\$ 693 million.

# E- Industries



## Target audience:

- Commercial clients
- Industrial clients
- Companies in various industries



## Strategic alliances:

- Private alliances with distributors, operations and maintenance service suppliers for energy efficiency projects
- Agreements with companies to offer highly technological services, through smart softwares.
- Alliances with financial entities to offer sustainable investment projects for clients.

## Energy efficiency project for Dunalastair School, enabled by photovoltaic generation on rooftops

Enel X and Dunalastair School, in Santiago, developed a hot sanitary water system for locker rooms with air source heat pump. This method allows the buffer to store solar energy that is not being used at that time, so that it can be used when demand is at its peak.

This project was developed to satisfy the school's need to become a highly efficient establishment, reducing their carbon footprint and educating the student community, made up of roughly 1,500 students in a 12.5-hectare campus. An estimated 4,800 liters of domestic hot water is consumed daily.

## **South America's first building with a photovoltaic façade**

This is the first photovoltaic façade project in South America. The Company reached an agreement with Sencorp to install a photovoltaic system with a total installed capacity of 138.04 kWh, inverter and fastening system to contribute with a cumulative 184,025 kWh of electricity generation.

Enel X is the leader in implementing energy efficient concepts by applying innovation to design. This project involves innovative technology, both aesthetically and environmentally, that enables reducing 25% of the building's electricity consumption.

### **Sustainable Condominium "La Cumbre"**

Seeking to promote projects that create added value for clients by integrating efficient solutions, Enel X and the construction company Terrafirme, developed a project to build 20 100% electric three-story homes in Lo Barnechea county. One of the first ecofriendly real-estate projects in the country.

The homes will have solar generation, a domestic sanitary hot water system using heat pumps, and will be able to store and use solar energy for hot water and household automation, which contributes to power management and safety (Smart locks, lighting control, interior and exterior CCTV with movement sensors).

	2017	2018	2019	YoY
 <b>Electric buses</b> <sup>1</sup>	2	76	285	↑ +275%
 <b>Charging points</b> <sup>2</sup>	63	221	454	↑ +105%
 <b>Street lighting</b>	234	259	277	↑ +7%
 <b>e-Home services</b> <sup>3</sup>	39.7	65.8	77.8	↑ +18%

1. Cumulative figures
2. Public and private chargers

Results	
Activity/Goal	2019 Results
Increase in renewable capacity. 700 additional MW by 2021	Over <b>500 MW</b> currently under construction
Reduction of specific CO <sub>2</sub> emissions to less than 230 g/kWheq (Group's reduction goal by 2030)	<b>227</b> g/kWheq versus <b>192</b> g/kWheq in 2018.
Demand response: 93 MW by 2021	<b>61,8 MW.</b>
Promote activities in line with the UN's campaign "Making Cities Resilient": Work with five municipalities by 2021.	We have worked with three municipalities: Quillota, Putre and Providencia
Sell residential photovoltaic systems. 356 systems sold by 2021.	81 photovoltaic systems sold during 2019.
Public lighting management. 333,384 points managed by 2021.	<b>276.934</b> points managed.



# Operational Improvements for Quality Service

Operational excellence can be understood as efficient and optimal use of resources. Therefore, the Company carries out a series of practices to obtain the maximum benefit from its resources and add flexibility of the energy matrix. Enel Chile facilitates the transformation of electricity systems by using digital networks and optimizing electricity generation processes to ensure the supply of electricity from a diversified energy matrix.

Enel Chile seeks to be at the forefront of the energy transition process, increase asset management efficiency, and maintain an excellent performance level by introducing innovation, digitalization, robotization, automation, and predictive maintenance with the purpose of offering greater stability to the electricity system and improve the quality of service for all customers.

Given the above, Enel Chile, in line with the Group's strategy and the "Energy Route" defined by the State of Chile, has established asset optimization as one of its strategic priorities through multiple associated practices, in order to ensure and enhance the performance of both plants and networks.



# Electricity generation operational efficiency

Enel Chile seeks to operate smart generation power plants that can optimize processes and make assertive decisions through data analysis, leading the energy transition in the country through a sustainable and exhaustive business model.

In the Generation business, remote control and predictive maintenance projects are among the most relevant projects. Enel Chile is moving from preventive maintenance models to predictive models by analyzing data using artificial intelligence algorithms to measure, monitor and project the various variables related to a facility's maintenance needs.

The projects described above allow predicting potential failures and adopting measures to prevent or minimize the effects early on to increase the efficiency of resource allocation and increase power plant availability.

Some examples of projects developed throughout the year are described below.

## Operational automation

**Solar Performance Analyzer (SPA):** In 2019, Enel Chile implemented software to identify photovoltaic park failures and inefficiencies in real-time. This real-time monitoring system was implemented using machine learning and artificial intelligence and allows measuring the performance of solar parks by taking thermographic images and analyzing them to identify inefficiencies. The use of this tool is part of the transformation taking place to move from a preventive to a predictive maintenance strategy.

Currently, all solar power facilities may remotely control and remotely access their SCADA<sup>19</sup> systems, which enables monitoring operations from any location that has an internet connection.



<sup>19</sup> Supervisory Control And Data Adquisition

**APC Coal:** Two Advanced Process Control Systems (APC) have been implemented for coal fired power plants. These systems utilize greater digital processing capabilities to run complex algorithms in real-time to optimize chemical processes at electricity generation power plants. Enel Chile implemented APC for Bocamina 1 and 2.

The APC will allow Bocamina 1 to achieve emissions that are equal or below 300 mg/Nm<sup>3</sup>, which has been confirmed through testing. It also increases the temperature of overheated steam 13 °C and the temperature of reheated steam 20 °C leading to a significant improvement in power plant efficiency. Regarding Bocamina 2, this system will lead to a 10 % reduction, approximately, in the amount of reactive "limestone".

**Geyser Project:** The geothermal power plant optimization project involves Italy, the United States of America and Chile (Cerro Pabellón). It was approved in 2019 and will be developed in 2020.

Benefits of the project are:

- > Synergies and opportunities for improvement between the power plants in the different countries.
- > Integrate models based on automatic learning and neural networks to support and improve production.
- > Develop local projects such as improving communications within a plant to improve operations and employee safety.





**Automatic Generation Control System (AGC):** This system provides a secondary automatic control of frequency, which has changed the relationship between the Electricity System Coordinator and the operations of power plants. The coordinator determines the amount of electricity generation required from each power plant using algorithms that are based on technical and economic criteria. This technological innovation has affected standard power plant operations and maintenance and also has provided greater communication system availability. In terms of thermal power plants, AGS allows reducing the minimum technical standards and eliminating the time needed for load stabilization.

## Maintenance

**Greater Hydroelectric Generation:** The process of changing and performing maintenance to hydraulic turbine rotors is being performed more efficiently, allowing to increase production with the same amount of water and reduce energy losses. Models are also being used to optimize load distribution among the generation units within a plant. Units 1 and 2 of Sauzal plant were upgraded and launched in October 2019 within the scope of this Smart Repowering process being implemented in hydroelectric power plants in Chile. Electricity generation will increase 209.31 GWh a year, boosting the weighted average performance by 1.95%.

**Wind Turbine Condition Monitoring System (CMS):** In 2019, the wind turbine condition monitoring service was brought inhouse to be provided internally by the Wind Competer Center team. This brings important benefits to Enel Chile and the Group because it allows storing information on these turbines constantly, will provide historical data to run models, anticipate failures, program maintenance and global information of the wind turbines located where the Company has operations.

Several programs related to the maintenance of aerogenerators were carried out in 2019. New maintenance contracts were awarded to cover most power plants' requirements until 2022.

A total 34 interventions to aerogenerators were performed including large corrective interventions and up-tower repairs. Worth highlighting are the replacements of transformers, generators and multipliers.

**PresAGHO Project:** Enel was the first company in the world to implement a broad scope maintenance project with the capability to predict and analyze potential malfunctions in hydroelectric power plant operations, such as the new Predictive System and Analytics for Global Hydro Operation Model. The model will be implemented in several countries allowing to create a cross-sectional centralized model to carry out maintenance plans before possible malfunctions arise and consequently lead to the optimization of operational costs and water resources.

The project will be implemented in the 260 largest hydroelectric power plants, in terms of generation capacity reaching a total 18 GW of installed capacity. It will be carried out by integrating the sensors installed in each plant into the system. The Scada (Supervisory, Control and Data Acquisition) system will enable collecting the data in situ, transmit them to the local control room and then make them available in the cloud for all power plant operators worldwide.



A mechanized cleaning system was implemented in the Chañares solar farm in 2019, in addition to the rest of Enel Chile's solar farms. This cleaning system allows using demineralized water and reducing the use of water from 2 liters per panel to 0.4 liters per panel, in other words, reducing the use of water by 80%.

For additional information regarding this PV panel cleaning system, go to page 116 of the 2018 Sustainability Report. <https://www.enel.cl/content/dam/enel-cl/en/sustainability/sustainability-reports/enel-chile/2018/IS-Enel-Chile-2018.pdf>

**Camanchaca Photovoltaic Panel cleaning:** The operating and maintenance team of the photovoltaic plants detected a natural weather condition named "Camanchaca", clouds with light moisture coming from the coast. These clouds completely cover the area where the Pampa Solar Norte and Chañares photovoltaic solar farms are located. The team decide to take advantage of this natural weather condition by putting the solar trackers in Parking Mode at night so that the panels may face the cloud, condense the humidity and provide water for cleaning. This action reduces the use of water and the number of programmed cleaning processes. The following image shows the difference between the dirty ones and the ones cleaned by the "Camanchaca".



## Applied Robotics

**Autonomous drones to patrol PV farm:** Within the scope of automation, the company has worked on integrated solar power farm security into the Operations Patrol Office ("COV" in its Spanish acronym). We installed a remotely controlled autonomous drone system for the first time in Chile and worldwide, at the Chañares PV plant in 2019. This system improves operations by centralizing the patrol system, which contributes to maintenance and operations. The solar operations and maintenance teams from Chile, Innovation EGP Chile and Innovación EGP Italia participated in this project, which also included drone operations training.

## Digital Solutions

**Virtual Support:** Consists in a ChatBOT and a Virtual Assistant that makes the interaction of the solar operations and maintenance department with the information systems available to them, easy and agile. This virtual support system allows all those who manage the relevant photovoltaic generation processes to view the condition of the plants and the most significant KPI's online and in real time, which is critical in decision making and adopting actions opportunely. This is the starting point to implement this virtual support in the operations of other renewable energy generation technology facilities.





**Remotely Controlled Power Plants:** Since September 2018, Enel Chile's hydro-electric, wind and solar generation is remotely controlled from Santiago (36 generation plants). The remote-control project of the open cycle gas fired units concluded in 2019. This project also involved an induction and labor reconversion process for the operators of the plant and broaden their competences in maintenance to increase their future employability.

In 2019, a global remote predictive diagnostics system based on algorithms that analyze power plant information, such as, temperature, vibrations, flows, etc. was implanted to diagnose anomalies and generate alerts that anticipate failures. The information is collected by the PI Osisft system.

In Chile, this system is available at the San Isidro, Bocamina and Atacama thermal power plants allowing to increase power plant availability and reduce maintenance costs.

**The Global Operation System (GOS),** implemented globally, provides structured and standardized information required to manage power plant operations and maintenance. This platform has the capability to track operational events (start ups, programmed and non-programmed outages, etc.) and manage power plant parameters and performance indices providing internal and external benchmarking. To achieve the above mentioned, GOS is integrated with real time information management systems OSISOFT PI) and with SAP. This system is currently operational for thermal power plants allowing the reduction of energy losses and also the integration of all systems used in each country.

**E-Planner** is a digital platform to support planning, follow-up and updating maintenance activities. It has Gantt chart building capability, allowing several teams players to work in a sole platform planning and updating maintenance activities, contributing to coordination and also providing access to any power plant documentation related to the subject. Enel Chile disseminated the project and performed employee training during 2019.



# Network resilience and digitalization

Urban area growth along with challenges related to progressive electricity demand and atmospheric pollution, which is responsible for 60% of the greenhouse gas emissions, have driven Enel Chile to promote intelligent cities. In this regard, although the distribution network has been continuously evolving, today's more ambitious challenges, such as energy efficiency, renewable energy and industry competitiveness require more rapid and effective responses from the electricity distribution industry.

Therefore, Enel Distribución Chile has focused on developing intelligent networks, with automated and connected processes that may be managed by both the distributor and the consumer in real time. These intelligent networks improve distribution network management by offering real time monitoring of electricity supply and consumption conditions, energy losses or outages, and automated processes allow to efficiently implement the necessary solutions to maintain service quality. The above contributes to the ability to provide opportune responses to social and natural contingencies and simultaneously increase distribution infrastructure resilience. Intelligent networks additionally increase the system's flexibility by facilitating the incorporation of renewable energy.

The projects related to building intelligent cities that stand out are the medium voltage distribution network projects executed to connect the electric bus terminals in the Maipú and Peñalolen counties. Feasibility studies were performed during the year in coordination with the Ministry of Transportation, Ministry of Public Works, municipalities and customers regarding various initiatives. The project involved 5 electric bus terminals requiring a total 8 MW of power.

## Intelligent Networks

### SMART METERS –Online integration to Emergency Service

**System:** If the customer has an intelligent meter, this system allows the emergency dispatcher to validate the emergency avoiding unproductive visits and providing the customer with additional information when the malfunction is within the household. Failures of transformers may be detected by the lack of energy in concentrators from the emergency service center, allowing to reduce repair times, adding additional value to the use of intelligent meters.

**Remotely Controlled networks:** The efficiency of distribution networks depends on performing revisions and maintenance on a permanent basis. Therefore, prevention improvements have been our focus, seeking networks that are resilient to social and natural contingencies. In this regard, network digitalization is critical to visualize data in real time, to respond to contingencies rapidly and promote responsible household consumption.

Enel Distribución Chile defined its Automation Plan in 2016, which involved investing Ch\$ 17 million in 2019 on various network reinforcement and adjustment activities. A total 415 remote control devices were installed to improve network flexibility and minimize the impact of events that affect service continuity and quality indices.

The implementation of these remote-control devices leads to a rapid and effective recovery of the electricity supply to customers that have been affected by an outage. The data is managed according to cybersecurity policies, placing special attention on IT threats.

## Network Metering

**Smart Meter deployment:** The installation of smart meters or intelligent meters is a key pillar of network digitalization. They provide the Company and its clients real time precise information on electricity consumption. They allow customers to play a more active role when it comes to electricity consumption, offering them the possibility to make optimization decisions and save energy. Intelligent meters also enable Enel Distribución Chile to manage electricity supply remotely. The installation of smart meters is always performed along with specific campaigns to increase awareness and provide information.

**Meter replacement:** In Chile, the new Technical Norm on Electricity Distribution Service Quality considered the replacement of all analog meters with intelligent ones by 2025. In early 2019, due to a publication about intelligent meters in a virtual journal, a country level discussion, involving politicians and citizens, took place regarding the reach of meter replacements, particularly about customers being charged for the replacement. Due to this controversy, the government met with distribution companies and later revoked the obligation to install digital meters, stating that the meter replacement be voluntary. All charges billed to customers for intelligent meters were to be refunded. Distribution companies face the challenge of communicating the benefits of this technology to the community and stakeholders. In seeking to achieve this goal, the Company met with most of the mayors of the 33 counties in Santiago this year who have begun to perceive the benefits, service quality improvements and opportunities that intelligent meters offer. Despite the situation, the Company installed 27,204 smart meters during 2019, reaching a total 322,900 operational smart meters in the Metropolitan region.



## Types of voltage power lines

**High Voltage (HV):** Power lines that transmit electricity from the electricity generation power plant to the substation

**Medium Voltage (MV):** Power lines that transport electricity from the substation to the public lighting poles

**Low Voltage (LV):** Power lines that distribute electricity from the public lighting poles to homes and buildings.

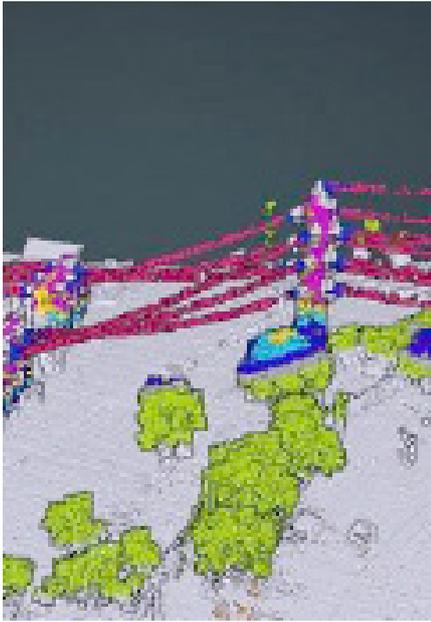
## Preventive improvements to electricity networks

**Low voltage quality plan:** To ensure that low voltage lines are functioning correctly, Enel Chile aims at detecting transformer overloads in advance and replace them opportunely. The installation of new connectors to low voltage customer electricity connections improves service quality and continuity and SAIDI and SAIFI indices. The plan involved the installation of 25 new three-phase transformers to replace low cost overhead systems ("DAE" in its Spanish acronym) and 92 three-phase transformers to increase the capacity in areas with overloads and in older neighborhoods with low capacity benefiting a total 83,000 customers and reducing by 57% repeated maintenance of transformers. Also, 189 kilometers of low voltage regular feeders were replaced with pre-assembled CALPE type feeders. These investments allowed improving service continuity and reduce malfunctions in areas with abundant trees.

**Electricity network channels interacting with gas pipelines:** The Superintendence of Electricity and Fuel issued Official Letter 14228/2018 instructed Enel Distribución Chile S.A. and Metrogas S.A. take the necessary actions to mitigate the risk of explosion and/or fire caused by the interaction of electricity networks and gas pipes. Therefore, the Company committed to replace 36 kms. of underground low voltage lines located near gas pipes with lines in tranches of at least 100 meters long. These works are carried out once a technical inspection has been performed to determine the distance from the gas pipes. In 2019, approximately eight kilometers of lines were modified, mainly located in the Santiago, Independencia, Recoleta, Estación Central and Cerro Navia counties.

**High and Medium voltage network quality plan:** Several high, medium and low voltage programs based on operational excellence and related to the quality plan were carried out in 2019. The Company is constantly working on preventing emergencies to provide network resilience and ensure that electricity supply will be restored when facing social or climate contingencies. To do so, the Company relies on an Electric Facility Maintenance Program to plan, coordinate and execute distribution network inspections and maintenance.

\* For more information on SAIDI and SAIFI indicators, go to page 89 of this same chapter



A new aerial monitoring system of high and medium voltage lines was implemented in 2019. Helicopters specially equipped with three high resolution LIDAR (Laser Imaging Detection and Ranging) thermal cameras fly over the high and medium voltage lines allowing to increase the extension of feeders inspected and also digitalize their condition and operations facilitating the ability to identify critical locations. Approximately 2,000 kms. of electricity lines in the Metropolitan region were inspected throughout the year, 1,300 kms. of medium voltage lines equivalent to 61 feeders and roughly 700 kms. of high voltage lines.

The information collected was utilized to coordinate maintenance teams to clear trees from the lines, replace worn out cables, and repair defective electricity connections.

Enel Distribución Chile developed a special medium voltage inspection plan using Laser Imaging Detection and Ranging technology, a land vehicle and a drone to cover areas that cannot be inspected by helicopter, obtaining the greatest detail possible of 71 feeders equivalent to 791 kilometers of Medium Voltage lines.



## Quality Plan



**Los Dominicos Substation:** Installed a 50 MVA TR1 and a high voltage transformer [TTPP AT]. Electrical works under development.

**Santa Rosa Sur Substation:** Installed a new 50 MVA 110/12 kV transformer, built a cell room and installed a MV cell set for 8 feeders. Electrical works under development.

**San José Substation:** Installed a new 50 MVA 110/12 kV transformer, modified the 110-kV site, and installed a new MV cell set for 8 feeders. Electrical works under development.

**Panamericana Substation:** Installed a new 50 MVA 110/12 kV transformer, modified the 110-kV site, and built a new open MV site for 8 feeders. Electrical works under development.

**Quilicura Substation:** Installed a new 50 MVA 110/12 kV transformer, expanded the MV site from 4 to 8 feeders. Electrical works under development.

**San Bernardo Substation:** Installed a new 50 MVA 110/12 kV transformer, modified the 110-kV site, and built a new open MV site for 8 feeders. Civil works under development.

**Alonso de Córdova Substation:** Replaced a TR 22.4 MVA for a 50 MVA and installed a GIS 12 kV cell set.

**Customer connection regularization plan:** Involved replacing existing customer connections and low voltage lines next to transformers. 2,900 customer connections were replaced in total.

**Special plans:** The installation plan for new electrical splice connectors on the pre-assembled aluminum network, launched in 2018, was reinforced to be able to connect to customers directly to the network without going through a distribution box. 12,668 electrical splice connectors were installed during the year. Distribution boxes were also replaced, as they are the most intervened element in the network, mainly due to late payment suspensions and reconnections. 3,661 distribution boxes were replaced.

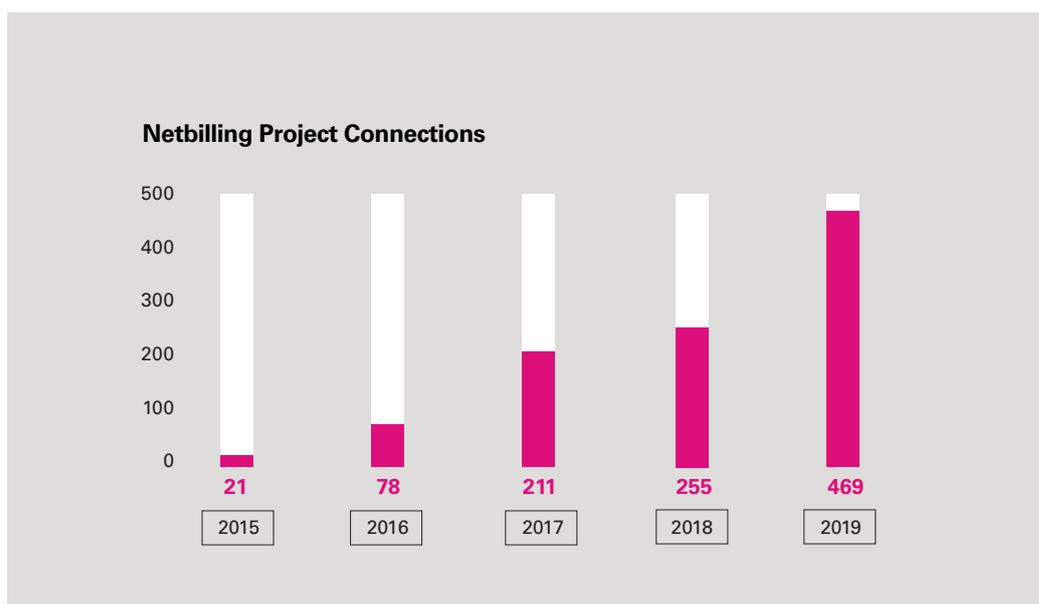
**Substation Expansions:** 7 power substations were modified to increase their transformation and/or feeder capacity. The works have varying degrees of progress and will be operational during 2020.



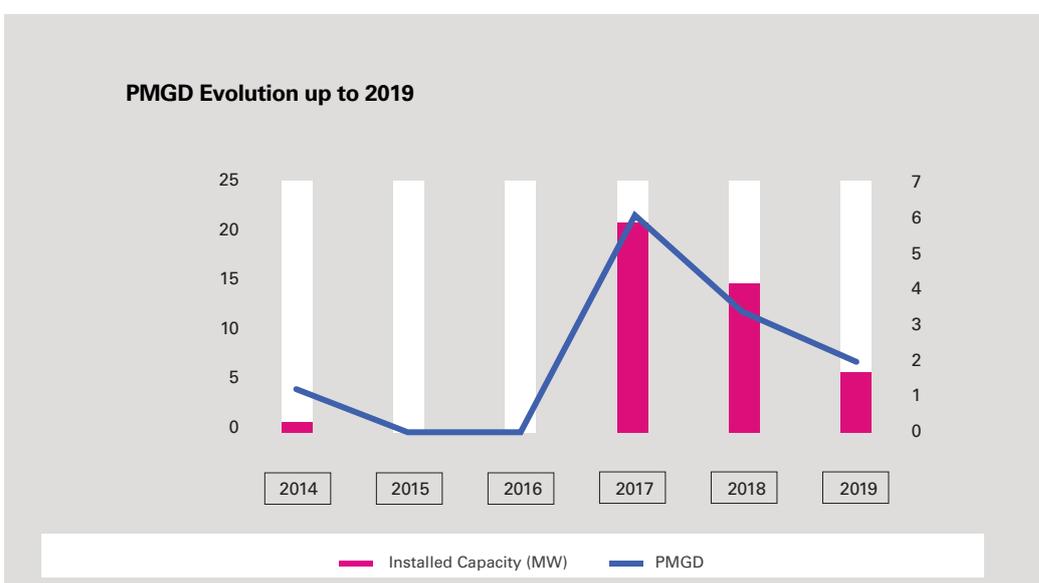
**Medium and Low voltage distributed generation projects:**

New clean and renewable distributed generation technology for Medium and Low Voltage networks is a significant contribution to reducing the Company's CO2 emissions and open opportunities to new energy sources. Law 20571 and its rules and regulations establish the terms, conditions and process of Netbilling by means of which Enel Distribución Chile Low and Medium Voltage customers may connect their electricity generation equipment with up to 300 kW of power capacity to the grid.

Within the scope of this Law, as of December 2019, a total 1,034 Netbilling projects have been connected adding a total 6,827 kWp installed capacity.

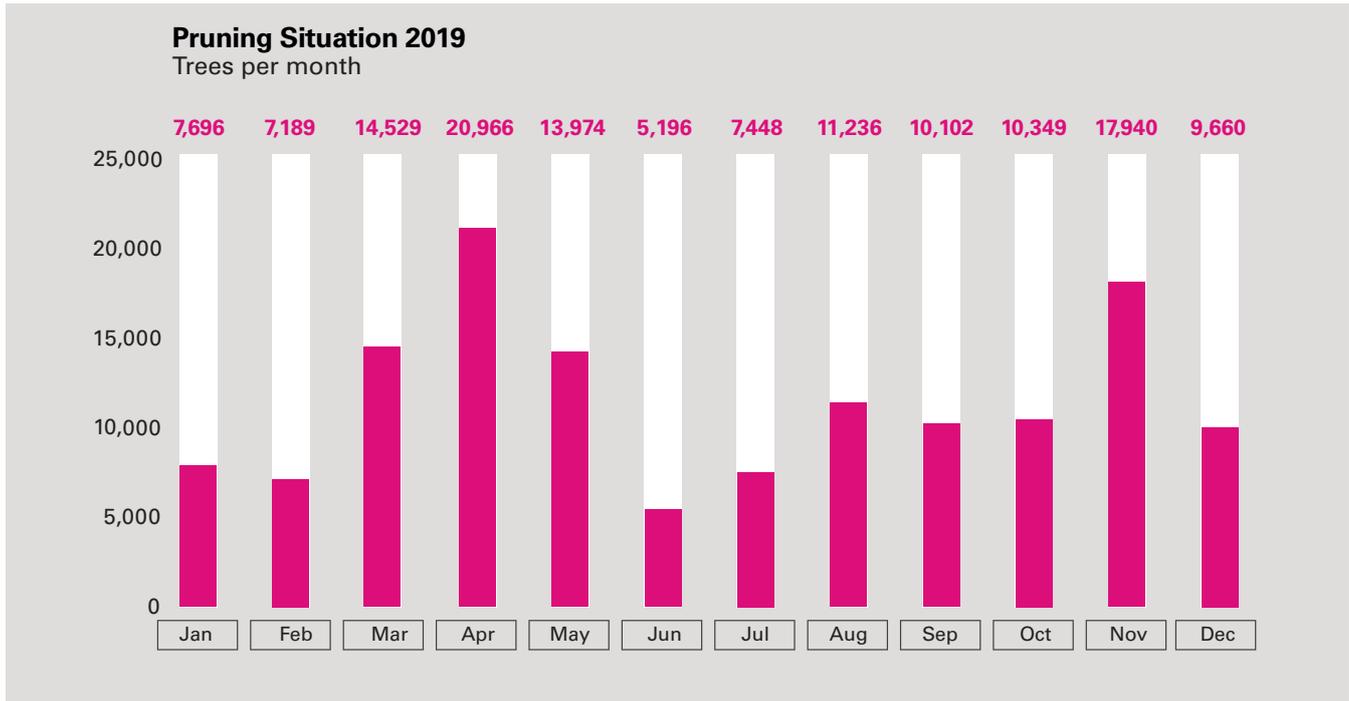


In terms of Medium Voltage Distributed Generation projects, twelve PMGD's ("Small Means of Distributed Generation") have connected to Enel's network that add up to a total 42 MW of installed capacity. Additionally, twenty-one other projects have received the technical authorization to connect to the system and represent an additional 103 MW of power.

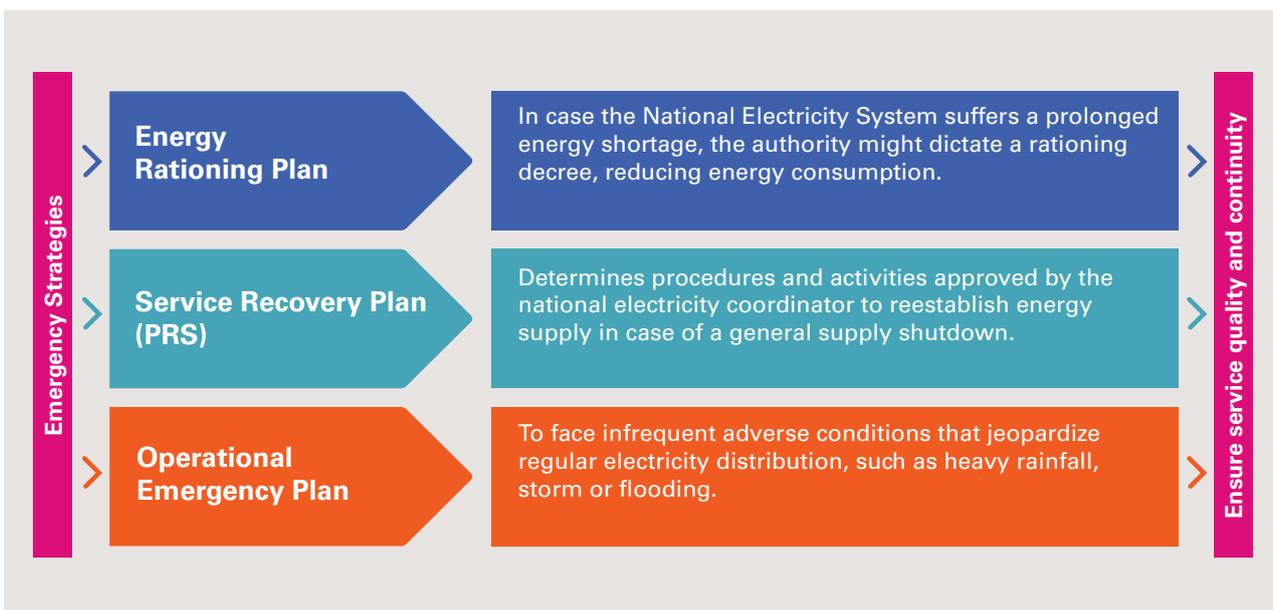


# Contingency Prevention and Planning

Since 2017, the Company executes an annual "Pruning Plan", to manage the vegetation that is adjacent to the medium and low voltage power lines. The high-risk areas are identified, the vegetation that interferes with the power lines is removed and then the organic waste is responsibly disposed of in coordination with the municipalities. A total 136 thousand spots were pruned representing a Ch\$ 3,507 million expense, which improves service quality by avoiding outages due to falling tree branches.



The Company also has contingency plans within the scope of the Crisis and Incident Management Policy that seek to rapidly respond to supply problems with the following three strategies:



The Crisis and Incident Management Policy defines the procedures to follow when managing a situation that can affect electricity operations and establishes a protocol to make decisions quickly and effectively.

There are 28 teams, on average, dedicated to solving daily contingencies, and when an emergency plan is activated (meteorological events, vandalism or others) the number of teams increases or may even be multiplied by six or more in extremely severe situations.

## Electricity supply quality and safety results

The execution of the Comprehensive Quality Plan, a strategic map focused on the implementation of operational excellence initiatives to ensure the effectiveness of the network, continued in 2019. Intelligent network projects were developed to improve electricity supply quality, measured with two main indices: SAIDI (System Average Interruption Duration Index) that represents the duration of interruption per customer within a twelve-month period, and SAIFI (System Average Interruption Frequency Index) that represents the frequency of interruptions during the same period.

Projects were carried out for more than 70 feeders within the concession area with quality supply indices above expected limits. Individual failures that occurred throughout the previous year were analyzed individually to reach a comprehensive quality solution, extending the network to perform interconnections and replacing naked lines with nearly 18,000 meters of Space- Cab wrapped ones.

ODS	Indicator	Results		
		2019	2018	2017
9, 11	Number of remote-controlled equipment installed (cumulative)	2,148	1,733	1,481
7, 11	Losses index	4.99	5.02	5.1
7, 11	SAIDI	184	195	230
7, 11	SAIFI	1.55	1.47	1.72

# Customer relations and service quality



Providing a quality service in addition to guaranteeing a reliable, safe and continuous supply of electricity also involves listening closely to customers' needs and expectations. Enel Chile offers customers various channels of communications and has carried out several projects seeking to improve communication and effectively satisfy their needs, providing the most rapid and opportune response possible to address potential incidents.

Enel Chile and its subsidiaries provide its customers with accurate and complete information using simple, specific, clear and accessible documents. A transparent, trustworthy and appropriate relationship with customers is critical to the sustainability of the Company and to strengthen stakeholder relations.

## Customer satisfaction

Enel Chile monitors its customers' perception of service quality and customer service using different satisfaction surveys. These surveys provide information to improve customers' perception. The Electricity Service Quality Index ("ICSE" in its Spanish acronym) is one of the most relevant indices the Company analyzes every year, which is obtained from a statistically significant survey that offers results with a 99%<sup>21</sup> confidence level. This index measures customer satisfaction regarding various dimensions of the service.

	2017	2018	2019	2019 (Goal)
Customer satisfaction	58%	57%	55%	60%
Coverage	99%	99%	99%	

At year-end 2019, customer satisfaction was 55%, two points below the figure for 2018, mainly due to lower results in March and August (49%) when there was extensive media coverage on the debate regarding the installation of smart meters throughout the country, as mentioned previously in this chapter, and service aspects, which revealed the impact of image perception on the general results of the Company. Worth noting is that customer satisfaction levels have not recovered to the level prior to the 2017 outage, when the satisfaction results dropped 22 points in the second semester when compared to the first semester due to service outages caused by unusual winter wind and snowstorms.

The Company has also implemented a series of after service surveys through its various communications channels. Surveys were implemented through the website, email, social networks and telephone using Interactive Voice Response, IVR, in July, November and December of 2019.

When evaluating IVR surveys, the new system using plain language<sup>22</sup> had a significant influence on the satisfaction index when compared to traditional IVR regarding the following three attributes surveyed:

<sup>21</sup> Indicates researchers' level of confidence, based on statistical data, of the estimated value of the intervals where the population data may be found.

<sup>22</sup> Text to speech provides answers and helps answer questions

Attribute	Traditional IVR	Plain Language IVR
Speed	53%	71%
Easiness	44%	59%
Friendliness	41%	56%

Consequently, the IVR system implemented in 2019, which intends to modernize telephone customer service, contributed to the improvement of customer service quality and customer satisfaction. Self-service and shorter navigation time are elements that also contributed to customer relations management (CRM).

The attribute of written responses via email or the website with the highest result was easiness (43%) followed by friendliness (31%) and resolution (30%). Regarding social networks, the most relevant attribute of Facebook highlighted by customers was easiness (5.7 from 1 to 7), followed by friendliness and resolution (5.6). The attribute with the highest result of Twitter was easiness (5.8), then friendliness (5.6) and finally resolution (5.0).

## Complaints management

Enel Chile provides offers its customers various communication channels to place a complaint or request information: email, free telephone service, website, among others. The Company constantly monitors customers' complaints and other concerns to understand their perception and identify critical problems so as to implement adequate corrective measures.

## Advanced electronic signature

Electronic signatures allow reducing the time required to manage the requirements that are submitted to the Superintendence of Electricity and Fuel ("SEC" in its Spanish acronym) and improve customer satisfaction while simultaneously saving energy and resources since the entire process is performed virtually. The company, along with the SEC and the Electricity Company Association defined an official document transmission model that has received over 3,000 electronic documents, and consequently saving two days of paper management and 21,000 printed sheets of paper.

## Electricity Risk in public streets

The objective of this initiative is to automate a 24/7 response to customer reports submitted to the SEC related to electricity risk towards people or things. The customer reports submitted through the SEC platform are sent to the commercial CRM and then to the technical CRM in charge of solving the situation. Once the situation is solved, the complaint cycle is reversed and closed by the SEC.

A total 150 reports were managed using this mechanism in 2019.

## Protocol for damaged sophisticated equipment

The Company has set customer service guidelines to respond through qualified partners to technical reports submitted by customers that have sophisticated equipment.

The Company classified customers that have sophisticated equipment by tariff, type of client, type of electricity connection, and type of device.

In 2019, the Company responded 6,920 complaints mainly related to damaged televisions and refrigerators.



# Products and services for vulnerable customers

Access to electricity for vulnerable individuals is a priority for Enel Chile, and therefore, in line with SGD 7 and 10, the Company has developed various initiatives along with the Government and certain civil society organizations.

## Small and medium sized company (PYME) plan

Enel Distribución Chile has offered payment arrangements and the postponement of supply disconnections due to nonpayment to small and medium sized companies affected by the social uprising allowing them to maintain their electricity supply.

The Ministry of Economy created a registry of SMEs and contacted them to determine their condition and needs. Enel Distribución Chile offered to receive these companies in its commercial office to propose alternative payment schedules of their debt.

By January 3, 2020, a total 1,893 payment postponement requests had been received, which avoided the disconnection of their electricity supply and allowing them to continue operating. A total 93 payment agreements were subscribed of which 19 have been normalized. The Company expects to recover Ch\$27,832,627 from the subscribed agreements.

## Mitigation of electricity risk in informal settlements

Enel Chile's Sustainability and Community Relation Department, in partnership with the civil organization "Un Techo para Chile" have organized collaborative worktables with representatives of the various informal settlements.

In 2019, the Media Luna settlement located in Lampa county and "Sol de Septiembre" settlement that together include 600 families living with an irregular electricity supply, began conversations with Enel Chile through these collaborative worktables to establish the necessary safety conditions required to perform the electricity grid works to protect the population living in such informal settlements.

These initiatives were able to reduce the risk related to the irregular interventions of the grid and stabilize the quality and continuity of the electricity supply for 1,100 families, which have been added to the Company's commercial platform as new customers.



## Electricity-dependent customers

Since 2012, Enel Distribución Chile has a registry with the addresses of electricity-dependent customers for medical reason and receive their medical care at home. The Company offers these customers a special service when electricity interruptions occur, which includes repair priority, and if necessary, providing the customer with equipment to temporarily operate the medical devices until the electricity supply is normalized. Also, the Company does not suspend the electricity supply to these customers due to nonpayment and gives them a monthly 50 kWh billing discount.

Enel Distribución Chile's "Lithium battery backup" project is to guarantee electricity supply when outages occur so that the operations of medical equipment of electricity dependent individuals is not interrupted.

By December, nine lithium battery back-up equipment had been delivered to Enel Distribución Chile electricity dependent customers.



## Priority service improvements

The Company is proactive in emergency situations, and in coordination with medical institutions and electricity dependent customers and other essential customers, offers generators to guarantee electricity supply.

23 According to current regulation established by the Superintendence of Electricity and Fuel in February 2018, an electricity-dependent customer is defined as a person that must be connected to medical equipment that required continuous, quality electricity

Priority service protocols have been updated and new essential customer categories have been added, prior coordination with each medical institution.

During 2019, the Company installed 1,563 generators and registered 977 new electricity dependent customers.

## Transparent customer relations

Enel Chile, as stated by its Ethics Code, requires that all contracts, communications and announcements made by its subsidiaries:

- > Be accessible to customers, in a clear and simple manner, written in a plain friendly language.
- > Comply with applicable regulation, without illegal or unethical behavior.
- > Cover all information relevant to customer decision making.

For truly transparent and quality communication, the Company must guarantee that any cultural barrier, language, alphabetism, or disability will not interfere with customers' equal access to information.

The Company offers specific customer service channels – in person, by phone, on-line- to provide its customers information on products and services. Social networks, such as, Facebook, Twitter and digital apps have increased the frequency of customer interaction with the Company. Digitalization of information and communication channels was one of the Company's focus in 2019. For instance, the use of electronic billing was promoted through two subscription campaigns highlighting its benefits and that is currently being used by 10% of the Company's customers. This billing method, which added 30,467 customers in May and 37,446 in September, reduces the environmental impact of printing millions of physical invoices.



The latest evaluation of this plan resulted in 85% call center customer service satisfaction, 96% social network customer service satisfaction, 95% face to face customer service satisfaction. Customer satisfaction with commercial office executive service increased 6 points and customer satisfaction with call center executive service increased 4 points. Also, the number of requests past due from February through December 2019 dropped fivefold.

## Service channels quality plan (4A)

The Company developed a plan to foster a service culture among employees to improve customers' experience when using service channels that are part of Enel Distribución Chile Service Culture Roadmap.

The service channels quality plan 4A (accept, assist, advise, accelerate) defines the pillars of the work to be carried out, employee training, acknowledgement of customer service executive performance, follow up of key customer satisfaction indices, and the implementation of after service customer satisfaction surveys.



## Proactive management of recurrent interactions

Information on customers' recurrent behavior was collected and analyzed to provide information proactively and reduce the number of customer service interactions. Information regarding customer account balance was the most recurrent interaction and therefore the Company implemented a pilot providing this information with anticipation.

In 2019, a total 405 customers were notified and 82% of those customers considered the information to be useful, 26% of the notified customers did not contact the Company afterwards.

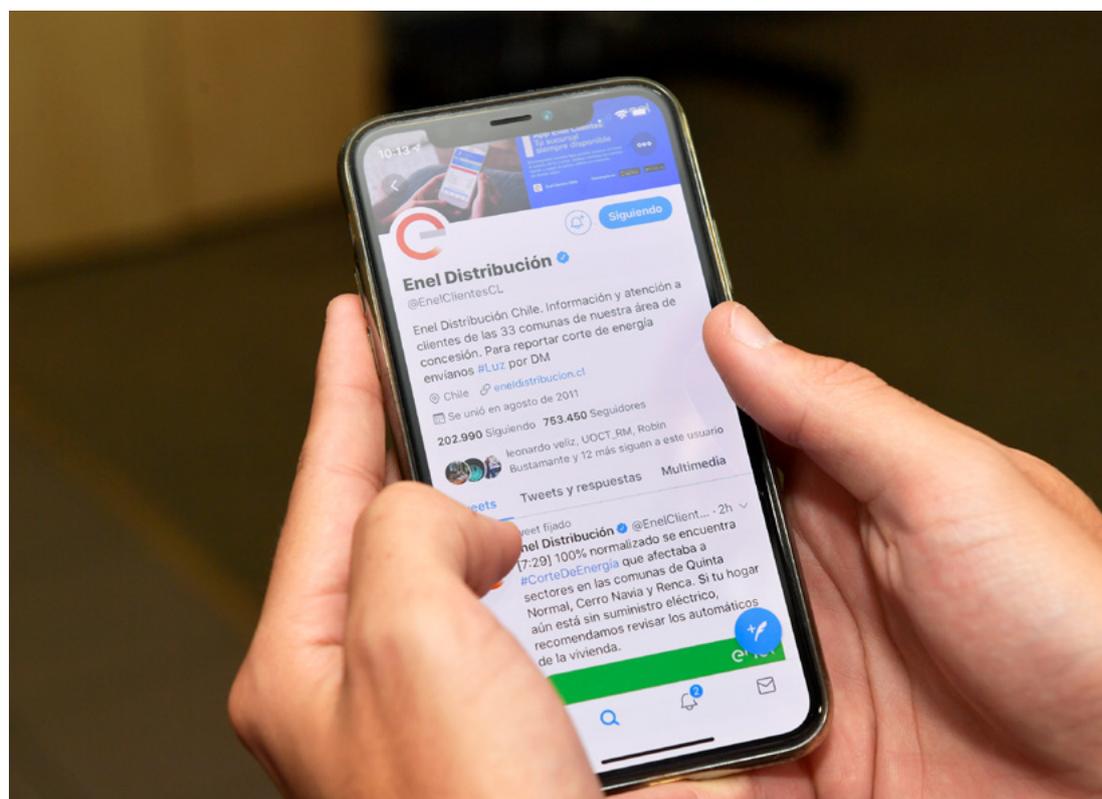
## Proactive information in social media

The Company implemented an incident diffusion program in social networks to provide customers with precise and transparent information regarding outages.

Once the Control Unit informs of an event, the field teams send photographs and information on the cause of the outage and identify the geographical area affected by the event on the Enel Distribución Chile online map. This information along with the expected time of service normalization is written and posted on social media.

During 2019, a total 4,410 incidents were posted, 27% of them included photographs.

An accident prevention campaign focusing on customers was launched in 2019. A series of videos were posted on Facebook and Twitter to increase awareness on electricity risks and reduce the number of accidents caused by unauthorized electricity network interventions and construction works near electricity lines.



# Empresa Eléctrica Colina Social Networks

Empresa Eléctrica Colina, a subsidiary of Enel Distribución Chile, whose concession area is located north of the Metropolitan region, created a Twitter account in 2019, [@eecolina](#) to maintain constant communication with its customers and launched a campaign to increase the followers of its Facebook fan page "Empresa Eléctrica Colina".

The number of Facebook followers increased 50% and handled 255 service requirements. The new Twitter account had 580 followers by December 2019 and handled 334 customer requests.

## One Hub

The One Hub project united the websites of all Enel Group Companies in one sole link, which facilitates the display of information and service.

The website [www.enel.cl](http://www.enel.cl) has initiated 9.9 million sessions and has received 3.1 million electronic payments since it was launched.

### Enel in Chile



**MEET ENEL**

#### Enel Distribución Chile

Chile's main electricity distributor, with more than 1.9 million customers of 33 municipalities in the Metropolitan Region.



**MEET ENEL**

#### Enel Generación Chile

With the largest installed capacity in Chile, has 110 units distributed throughout the country.



**MEET ENEL**

#### Enel Green Power Chile

Manages renewable energy plants, including hydroelectric, wind, photovoltaic and geothermal.



**MEET ENEL**

#### Enel X Chile

We make opportunities come true. Unique experiences that advance the future towards a more sustainable and efficient present



**MEET ENEL**

#### tiendaenelx.cl

Join the era of more innovative, smart, safe and efficient products and services

## Web chat pilot

The pilot project was implemented in November 2019. It is a chat developed by Facebook in "My Accounts" section of Enel Distribución Chile online service center. The Company's social media team was trained on the use and service of the web chat. They performed 130,000 web chats to solve frequent customer questions throughout the year.

## Self-serve payment at the Municipality

The Company is in the development stage of a project to install self-serve payment totems in Municipal buildings to offer customers alternative payment locations near their home. In 2019, several meetings were held with different Mayors and the required equipment was tendered in 2020.

# 2019 Lawsuits and disputes

Enel Distribución Chile diligently handled the following lawsuits and disputed in 2019:

- **Chilean regulatory authority fines Enel Distribución Chile for lack of maintenance to its electricity poles**

Enel Distribución Chile appealed to a fine imposed by the Superintendence of Electricity and Fuel ("SEC" in its Spanish acronym) because the Company continuously tracks and maintains electricity poles and lines according to maintenance plans that are designed based on regulatory requirements and the industry's best practices. The ruling by the SEC is pending since January 24, 2020.

- **Chilean court maintains fine for the 2016 blackout**

The authority imposed a fine for not performing adequate maintenance to Enel Distribución Chile facilities. The Company's main argument is that the blackout was a fortuitous event and detailed all continuous maintenance programs performed to its facilities. The ruling of the Court of Appeals of Santiago was appealed to the Supreme Court, whose sentence is pending since December 2019.

- **Regulator fines the Company for an outage**

The regulator claims that the event was due to lack of maintenance of Enel Distribución Chile facilities. This claim was refuted by indicating the various maintenance programs carried out by the Company, including among others, aerial inspections and ground inspections, etc. Once the fine was confirmed and the supporting information was analyzed, the Company decided to continue using other tools provided by the Law and made a presentation before the National Comptroller's Office stating that it was illegal for the SEC to be imposing a fine for a fortuitous event that was not due to lack of maintenance and declaring that the Enel Distribución Chile was in compliance with all current electricity regulation. This presentation took place in February 2020 and the ruling is pending.

## • Chile's Supreme Court maintains fine for 2017 outage

The SEC's main claim referred to having 23,000 customers without electricity for 20 hours, and consequently being in violation of Chilean electricity regulation. The outage was due to a major storm, wind and heavy rain (wind more than 80kms/hr.) Enel Distribución Chile declared that the Company had compensated the customers affected by the outage according to applicable regulation, which the court disregarded.

After the extreme weather conditions that affected electricity supply in 2017, the Company updated its "Winter Emergency Action Plan" and implemented a series of measures to strengthen network resilience. Such plans focused on supply continuity and security and also strengthening communication channels with customers. Additional technical support teams were deployed, and preventive measures were adopted.

For more information see:

<https://www.enel.cl/en/meet-enel.html>

## • Chilean Mayor pushes for investigation of lengthy blackout

The authority requested that Enel Distribución Chile inform on the compensation that each customer that was without electricity for more than 20 hours would receive, as determined by current regulation. Such information was opportunely submitted to the SEC. To the date of this report, we have not been fined for the event, which is considered a fortuitous event caused by the unusual and unexpected weather conditions. If customer compensations were to be applicable, they will be paid according to the parameters established by the law.

Results	
Activity/Goal	2019 Result
Losses Index under 5%.	<b>4.99</b>
Residential customer satisfaction Index.	<b>55%</b>

# Open Innovability and digital transformation



The Open Innovability philosophy permeates throughout the Company's strategic culture and serves as a guide in developing work methods. It is applied extensively, uses plain language, and specific methodologies, ranging from Digital Hubs to Innovation Focal Points, and is materialized in events such as Boot Camps, local and international Work Committees, Brainstorming Workshops, Start-up Scouting, and Start-up Acquisition Policies, among others.

Innovation and digitalization are fundamental aspects of Enel Chile's strategy, enabling growth in an environment where technological and cultural transformations are occurring at an increasingly fast pace. They are essential to guarantee safety, business continuity and operational efficiency.

Enel Chile pursues long-term sustainability in its business and its environment through the Open Innovability model, an ecosystem that connects the Company's employees with internal and external stakeholders, such as start-ups, academia and business partners, among others, to develop innovative solutions for global problems through a crowdsourcing platform. The Open Innovability concept implies openness, innovation, and sustainability, which is directly linked to the Company's strategic vision, Open Power.



# Innovation Ecosystem

One of the main elements that drives innovation is collaboration through partnerships, generating mutual benefits and increasing the potential of ideas. To this end, in 2018 Enel Chile launched the Innovation Hub and Idea Hub.

**The Innovation Hub** consists of a network of institutional partners, organizations, and venture capital funds whose mission is to support start-ups that contribute to the development of innovative solutions for the business' sustainability. These solutions are implemented in the Company and, if feasible, are scaled globally.

Enel Chile explores areas of innovation through a scouting process, aimed at investigating about technologies and business models of interest to the Company. Currently, the Enel Santiago Innovation Hub has partnerships with:



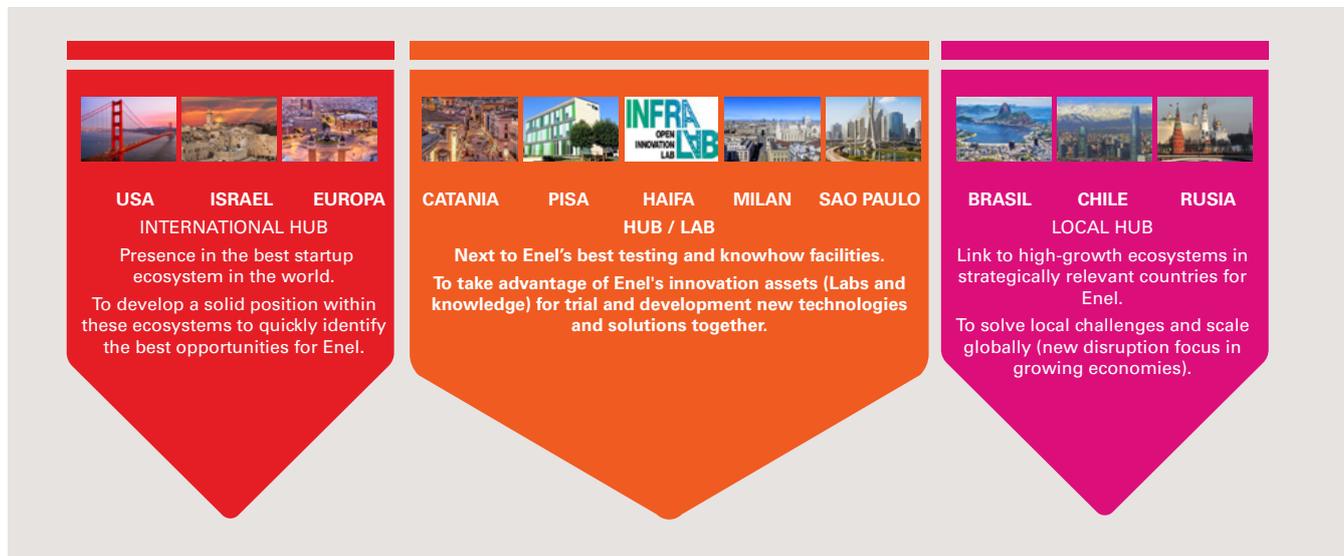
**NXTP Labs**  
Argentine business incubator and investment fund, acts as a scouting partner in the search and selection of start-ups.



**Start Up Chile**  
Main business incubator in Latin America, the coworking space it provides is utilized by Enel Chile to host activities to connect with the local innovation ecosystem.



At the Group level, Innovation Hubs are interconnected at different levels, as shown below:

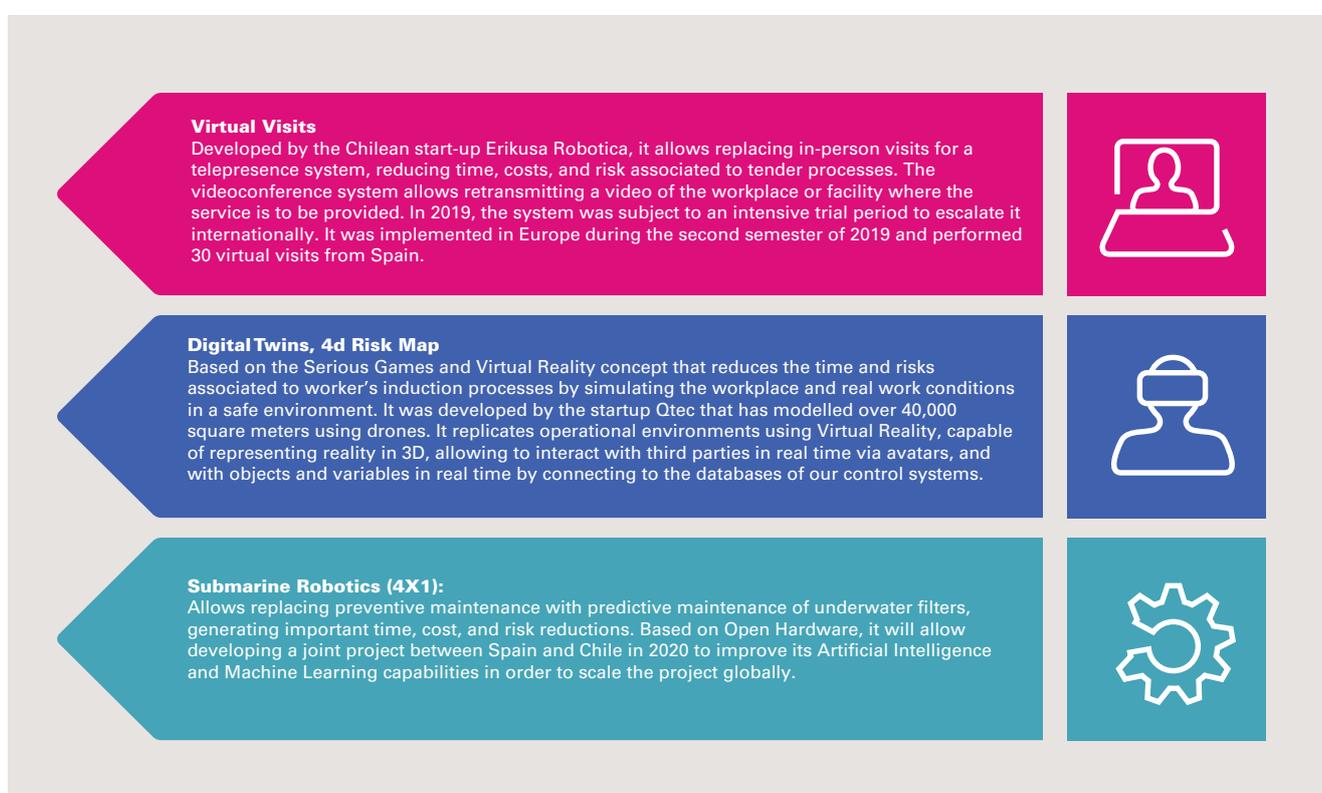


Enel supports start-ups throughout their development process:



# Generation Projects

Locally, the Company has established partnerships with some universities, the most noteworthy with AC3E center of Universidad Federico Santa María, in the field of marine robotics. This technology significantly reduces power plant employee costs and risks. During 2019, marine robotics was widely implemented in the Central San Isidro, Bocamina, and Gas Atacama facilities. The project involved more than 30 people, including researchers, external personnel from start-ups such as Adentu, and Company employees.

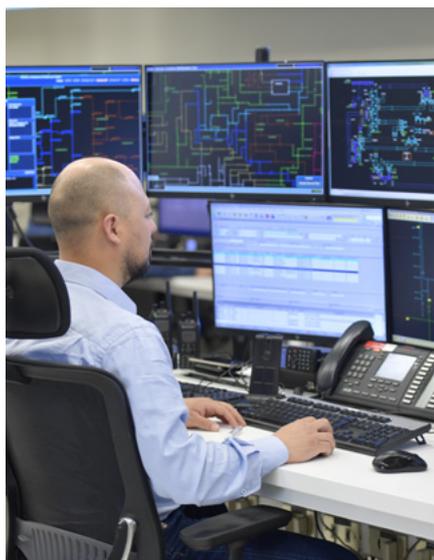


In September 2019, the first full-scale wave energy converter PB3 Power-Bouy was acquired. It will be installed on the coast of Las Cruces in the Valparaíso Region in early 2020 and will boost the exploration and development of marine energy technology. The PB3 buoy was acquired by the Innovation department to study marine energy generation under real ocean conditions.

It is worth noting that innovation projects not only increase process or operation efficiency, but also reduce environmental impacts. In the case of Virtual Visit, the Company carried out a basic theoretical calculation of the project's impact on CO<sub>2</sub> emissions, and concluded that the use of the Virtual Visit program, in Chile and in Europe, reduced CO<sub>2</sub> emissions by approximately 150 tons, equivalent to more than 7 million trees absorbing CO<sub>2</sub> or 17,000 cars out of circulation for a day.

## Distribution Projects

In terms of innovation, during 2019 the Infrastructure and Networks (I&N) department continued working on last year's workplan that includes evaluating 34 initiatives in areas of interest to the Company. During the year, six more potential initiatives were identified. Of the entire project portfolio, four initiatives were discarded, two finalized the Proof of Concept (PoC)<sup>24</sup> phase, and one implemented a pilot project:



- **Electricity network monitoring using** artificial intelligence is a project aimed at solving the air debris problem (decommissioned powerlines, out-of-norm catenaries, or any other alteration to network infrastructure by third parties) that often causes damage to electricity poles, generally after being struck by cargo vehicles, among other things.

This problem affects the quality of the electricity supplied by Enel Distribución Chile or causes service outages, resulting in costs and bad publicity for the Company. Decommissioned or out-of-norm powerlines -located in the lower part of the poles- generally belong to telecommunications companies that use Company distribution infrastructure as support. Their misuse hinders the ability of Enel Distribución Chile to control incidents and safeguard supply continuity. To this end, the Company, through its partnership with the start-up Innspatial, developed an application based on artificial intelligence that identifies the owner of such powerlines and stores georeferenced information regarding out of norm cables and poles.

This project finalized the PoC phase and is currently implementing a pilot program.

<sup>24</sup> The Proof of Concept phase consists of testing an idea or a project before its pilot phase to evidence whether it will be feasible and/or will fulfill its desired functionality.

- **GridFlexibility4Chile – Demonstration of Automated Demand Response for Grid Flexibility at Enel Santiago Smart City Building**

Due to increasing energy demand from residential and industrial customers and the incorporation of new generation, storage, and electric mobility technologies, the distribution network has been subject to increasingly stricter requirements. This has meant greater pressure to add flexibility and resilience to the network through new tools and technologies, such as Demand Response (DR).

Demand Response allows the distributor to control demand (kW) without affecting supply quality and customer service, especially during peak periods, when the price of energy is the highest, thus increasing its market availability. The Automated Demand Response (ADR) protocol eases its use, as it allows dispatchers and distribution system operators to transmit continuous DR signals between them and their customers, utilizing plain language and through an IP network, such as the internet. This helps visualize energy flows in real time.

Enel Distribución Chile and non-profit organization EPRI jointly applied the ADR methodology in a demonstration at Enel's SmartCity visitor center in Santiago.

In addition, a portable demonstration box was built to show ADR functionalities to Enel executives and customers in Spain and Italy. The box demonstrated the ADR concept, and how the signal managed to trigger an energy demand reduction through actions such as resetting the thermostats of HVAC units, lowering the speed of fans, or turning lights off.

The demonstration box is being used to encourage Enel customers to participate in ADR programs, thus benefitting the market by using energy more efficiently and increasing its availability, as well as reducing its cost.

Enel Distribución Chile intends to use ADR as the base technology to build a Distributed Energy Resources (DER) platform that will allow increasing Chile's network flexibility and position distribution system operators as active agents in promoting demand-side flexibilization programs. Integrating and managing DERs will simultaneously lead to considerable improvements in network performance and resilience.

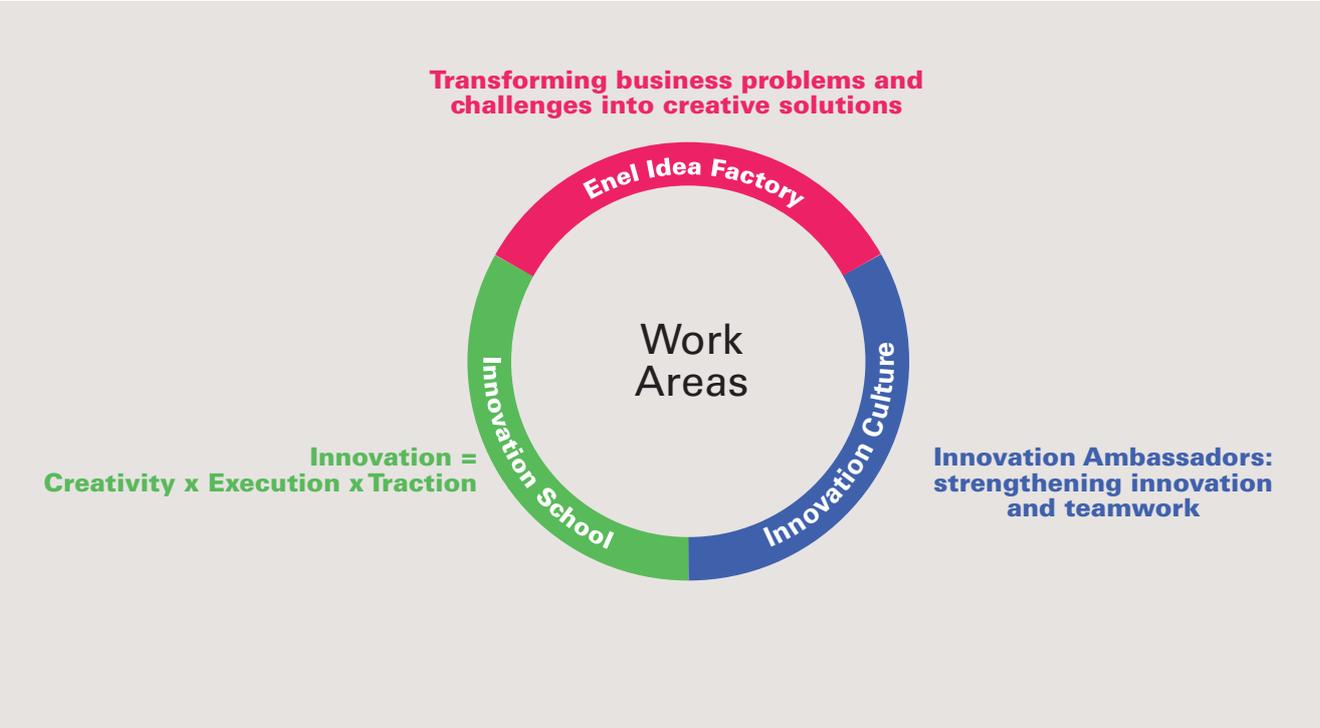
A fact worth noting is that this project was awarded the first place in the 2019 EPRI PDU Technology Transfer Awards, which recognized its contribution to the electricity distribution industry worldwide.



# Creating an innovation culture

The purpose of **Idea Hub** is to promote and disseminate an innovation and intraentrepreneurship culture, knowledge and behavior, with the participation of all employees of the Company. It seeks to forge a culture of innovation among all employees, fostering creativity in technical and professional teams, and offering all necessary tools to develop their capabilities.

This job is done focusing on the following three areas of work:



### Idea Factory

The Idea Factory transforms workspaces into innovation labs where the Company implements the technologies and methodologies that help Enel employees providing support in analyzing, selecting, and implementing the best solutions to their problems and challenges. To do so, several methodologies are implemented:

### Creative Problem Solving

allows creating value by helping people find innovative solutions to challenges in four steps. As a result, problems become challenges, and the solution process generates creative ideas to tackle them<sup>1</sup>.



### Design Thinking

implies understanding needs and co-creating solutions along with the final user.



### Objectives

- Lead and promote solutions to business challenges.
- Train peers using Innovation Academy programs.
- Support the development of innovation projects in their work areas.
- Promote cultural change and inspiring activities.

### Innovation School

provides the tools and knowledge needed by the employees working on innovation activities to develop innovative work methodologies. To disseminate innovation culture into day to day activities, the Company selected 23 innovation ambassadors, responsible for implementing innovative methodologies into their teamwork, improving multifunctional employee cooperation and participation.



Some emblematic Idea Hub initiatives are the following:

## Make It Happen

In March 2019, the Enel Group launched the Make It Happen intraentrepreneurial program, led by the People and Organization department to provide a space to develop the propositional and experimental capabilities of all Enel's employees around the world, based on the conviction that all Company employees are crucial in accelerating the innovation and transformation process the industry needs.

The Make It Happen program has two formats:

- > **Green Trip:** to new business ideas
- > **Blue Trip:** to propose incremental innovation ideas or improvements to existing processes



## My Best Failure

Enel has developed an online platform called My Best Failure, where employees can share their "best failures" in their innovation or improvement attempts. The platform focuses on the positive aspects of failure and the lessons to be learned from it, thus mitigating fear and promoting experimentation.

The Enel Group holds the annual Enel Days meeting in Rome, and in its 2019 version, Enel Chile had a noteworthy participation, setting up a stand that was visited by Company Chairman Patrizia Grieco, who went on a Virtual Visit to the San Isidro Power Plant control room using real-time virtual reality.

Other important innovation events held by the Enel Group in Latin America included a broader innovation workshop and a Boot Camp, which were both held in Santiago but viewed by more than 20 regional innovation ambassadors.

In December 2019 Enel Chile participated in the World Open Innovation Conference at the LUISS University in Rome, which was attended by Enel Group CEO Francesco Starace.

To increase the level of circularity of proposed solutions and the level of circularity of customers, companies, and public administration, Enel X has developed the Circular Economy Impulse Program, which currently includes several initiatives in different implementation stages, primarily related to air conditioning units, emissions reduction, public infrastructure improvements related to electric transportation (e-bus), public lighting, and household photovoltaic generation.

25 For more information on Virtual Visits, please refer to page 105.

# Digitalization and Cybersecurity

Digitalization can lead to economic, social, and environmental sustainability by encouraging a more conscious approach to energy consumption, providing energy access especially to vulnerable population, and enabling an environmentally conscious use of energy.

Digital transformation is a key aspect of the energy transition process, which is why Enel Chile has implemented digital transformations throughout its entire value chain including asset optimization, distribution network management, and personalized customer and employee services.

The Company's Digitalization strategy is based on two pillars:

Digital Impact, related to customers, assets, and people, and Data Driven, related to Cybersecurity, Platforms, and Cloud.

## Digitalization

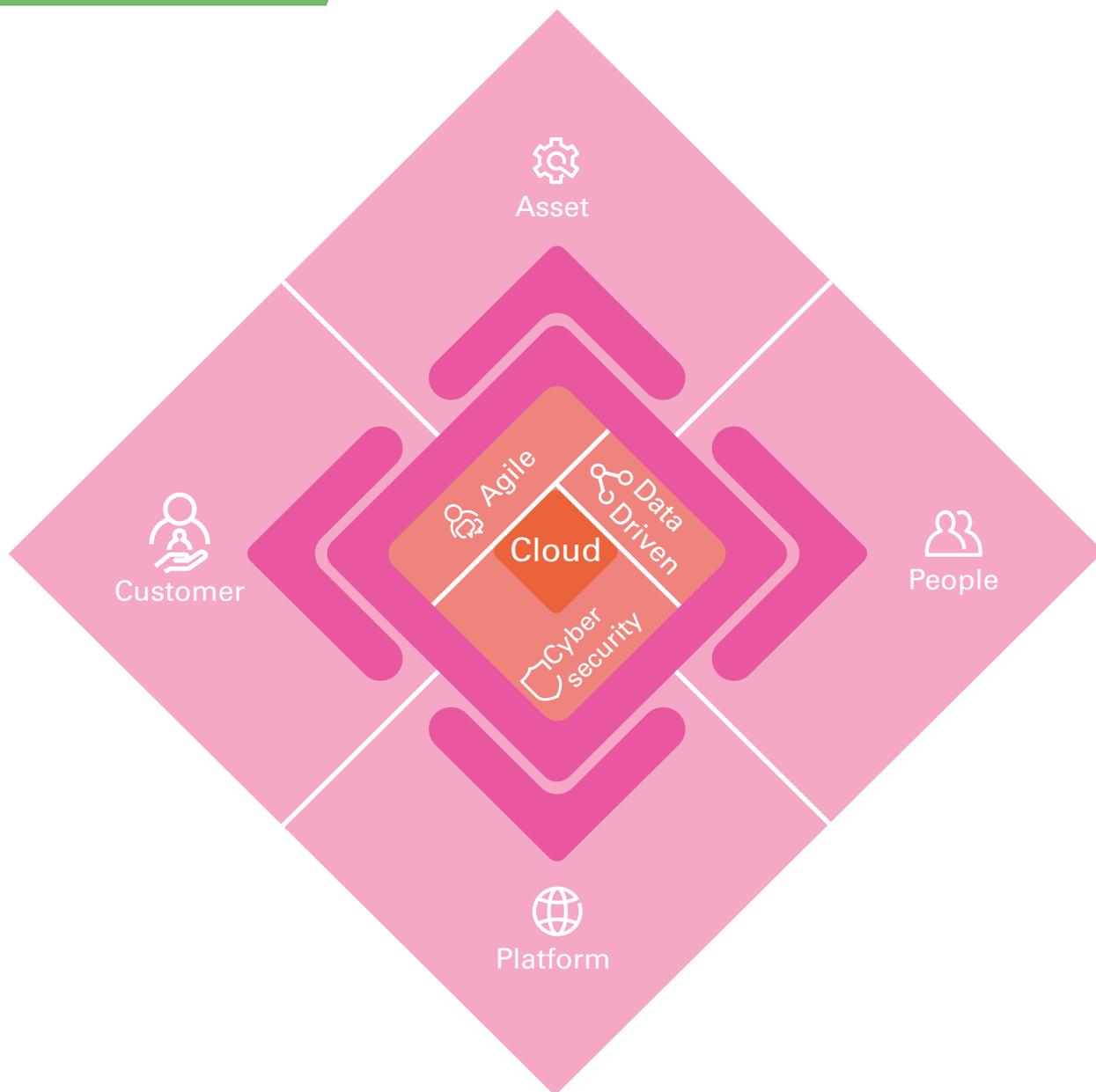
Digitalization provides customers the possibility to gain access to new ways of interacting with the Company by using applications, such as, Smart Invoice, virtual assistance, Enel X recharge, and platforms, such as, Salesforce and Smart meters, which simplify the relationship between the Company and its customers, optimizing response times to outages, data management, and related costs.

The digital impact on assets lies in optimizing power plants, creating interconnected, Smart distribution networks, and developing models to forecast Trading Commodities Customer strategies.

People are an essential component of the Company's digital strategy, which is why Enel Chile has introduced the Agile methodology into IT project development. The Agile methodology is a model based on collaboration, openness and flexibility in which interdisciplinary teams develop projects through an iterative process that includes the active participation of the final customer. During 2019, considerable work was put into change management, including employee awareness, motivation, and formation to disseminate the use of this methodology.

The E-Travel program was also implemented in 2019. This program unifies trip administration processes, from the approval and management stages to their finalization, allowing for greater traceability and reportability. E-Travel was integrated to SAP, which has eased budget control.

Finally, and concerning employee management, the Company implemented EMMA, a Smart Office solution that simplifies the search, reservation, and use of meeting rooms through a web app or IQ code-reading app. This system allows posting notices regarding future meetings, visualizing available rooms and their characteristics, booking rooms, and checking in, among other features.



### Customer Privacy

In 2019, Enel Chile had no verified records of loss of customer data or confirmed infringements regarding the privacy of their information, according to the regulations to which it is subject.

## Seguridad cibernética

Digitalization implies using more big data and storage in the cloud, increasing the exposure to cyberattack risk that may jeopardize information privacy and security. Similarly, digitalizing Company assets requires greater protection of critical infrastructure to safeguard its operations against possible attacks.

Enel Generación Chile's power plants are highly automated and interconnected, and thus keep a large amount of data in the cloud. Enel Distribución Chile, on the other hand, has been progressively digitalizing its energy distribution networks. Thus, the Company has adopted an integrated and collaborative cybersecurity model that seeks to guarantee Company and customer data privacy.

To do so, the Enel Group relies on a Cyber Security Framework that adheres to local regulation and manages and commands all business units' initiatives regarding cybersecurity.

The cybersecurity strategy has a global, holistic, risk-based approach that analyzes systems and applications from the initial design stage to increase their responsiveness to cyberattacks.

## Cyberattack monitoring and prevention

To monitor and prevent possible threats, the Company relies on its Cyber Emergency Readiness Team (CERT), a group of experts in charge of managing cybersecurity incidents. The CERT established a prevention strategy for cyberattacks that target the Group's industrial and digital assets, and critical infrastructure. This strategy places a team in each territory that work in a collaborative and synergic manner to respond to digital security threats. CERT is present in eight countries, including Chile, with more than 20 cybersecurity analysts who constantly monitor cyberattack risks from the control room, ready to coordinate response activities collaboratively, with all territories, to tackle any incident.

Enel Chile also has a Security Operation Center (SOC) in operation 24/7 to monitor IT systems and communications network traffic.

In 2019, a data protection department was created including a manager (DPO) responsible for its performance. Digital Hub was also created to supervise the application of data protection guidelines in process design and IT solutions, abiding by all possible compliance restrictions.

Results	
Activity/Goal	2019 Results
% of applications covered by advanced security solutions. Goal: 100%	<b>100%</b>
Number of cyberattack event checks. Goal: 500 per year.	<b>&gt;800</b>
Training events to foster a culture of security. Goal: 15 per year.	<b>16</b>

# Engaging Communities



The energy transition not only implies a change in the way energy is generated; it also involves changes in human relationships, in the way we do business, and in environmental awareness. Today, being part of this transformation is a necessity and a priority to face climate change. Nevertheless, there are still gaps that must be filled to achieve a sustainable development model, which is why working towards equal access to knowledge and tools is critical. The active participation of communities in this process is essential. Therefore, Enel Chile's community relations strategy in 2019 focused on having a close relationship with local communities and going through the energy transition along with them. The Company has an on-site team dedicated to understanding local necessities and identifying aspects that converge with our corporate strategy to find solutions that are more easily articulated with public and private players, and civil society.

The increasing share of renewable energies in the Company's energy matrix and the country's energy matrix has involved an important territorial expansion of Enel Chile's power plants. At the same time, growing demand for electricity in cities requires increasing electricity supply infrastructure. Therefore, it becomes fundamental to prioritize community relations and their engagement in the development phase of projects in order to mitigate the environmental and social impact these installations may cause throughout their lifecycle. These efforts also contribute to establishing virtuous relationships based on trust between communities and the Company. Enel Chile is convinced that this aspect is key for long-term value creation for all Company stakeholders. Our Sustainability and Community Relations Policy - available at <https://www.enel.cl/en/sustainability/our-commitment/sustainability-policy-and-community-relations.html> - defines the guiding principles to continue moving forward, on the sustainable development path in territories where Enel Chile carries out its operations.



# Enel Chile's Presence in the territory



**+ 230**  
Projects

**+ 4.000 km**  
National coverage

**+ 300**  
Communities

North Team

 Geothermal Plant	 Solar Plant	 Hydroelectric Plant
 Wind Plant	 Fuel and Gas Plant	 Coal Plant



# Community Relations Strategy

102-43

One of the strategic priorities of Enel Chile's 2019-2021 Sustainability Plan is to involve local communities in Company activities and create long term value shared value. Hence, the Company has developed procedures that seek to introduce general principles, roles, responsibilities and operational methods into the definition, implementation, management and monitoring of the Creating Shared Value (CSV) model throughout the entire value chain, business lines, and functions.

In 2019, Enel Chile contributed with over Ch\$ 20,475 million to communities. Of that amount, 90.5% was allocated to investments in communities, another 8.8% went to commercial initiatives with social impact and 0.7% were donated to charities. Of the total investment amount, 90.3% was provided in cash and 9.7% in time.

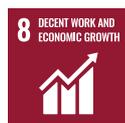
The Company's has aligned its efforts towards the following three SDG goals that are a priority to our stakeholders, and that are directly related to our activities and relationship with our surrounding communities\*:



Quality education



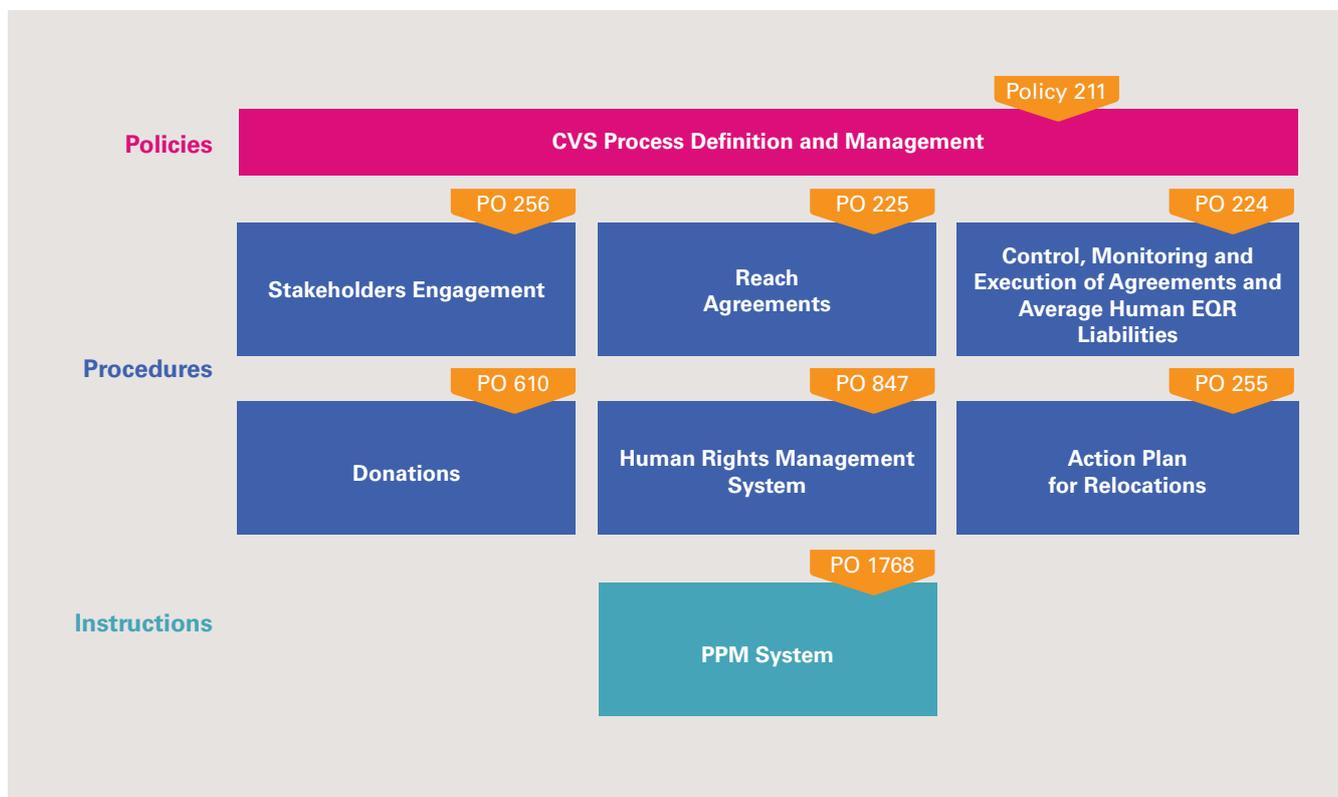
Energy and energy efficiency



Sustainable socioeconomic development

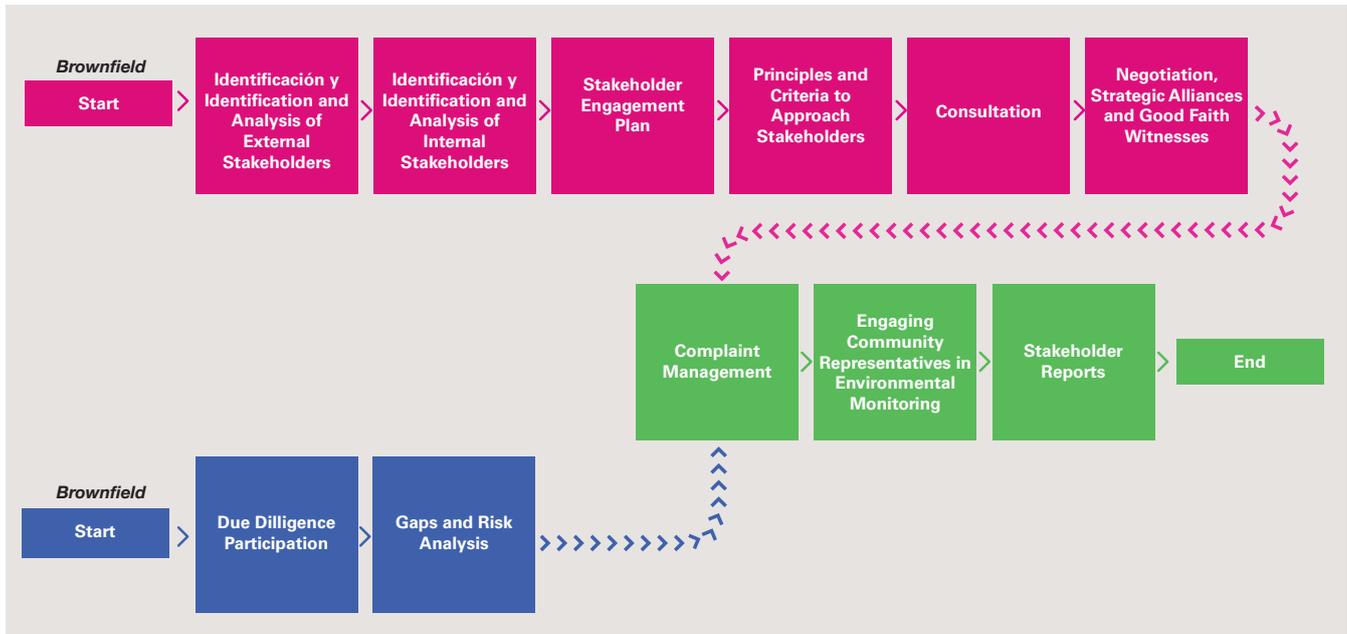
\* For information on the beneficiaries of each of these SDGs since 2015 until the date of this report and the 2022 goals, see page 161 of this chapter.

## Policy and procedures



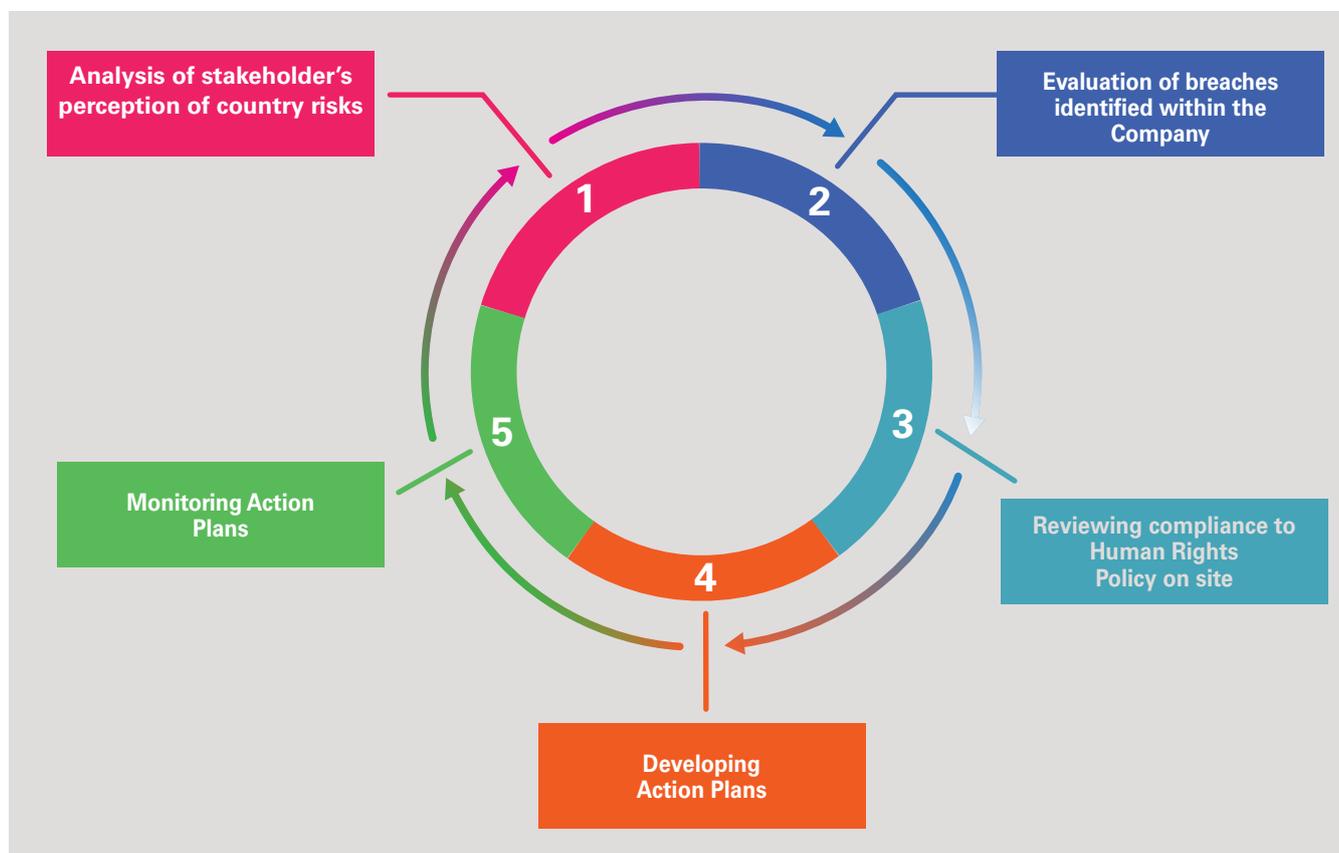
- > **Policy 211 “CSV Process definition and management”**: Is a guide to define, execute, monitor, and evaluate shared value plans in terms of assets and territories. This model considers several tools to evaluate social, economic, and environmental needs, in order to define projects that will create value for both the Company and local communities, mitigating the socio-environmental impacts they may cause.

- > **Stakeholder engagement:** Community relations processes are carried out with local stakeholders when designing projects in each territory. These processes are based on communication, providing transparent and timely information, jointly reaching agreements to co-design short, medium, and long-term sustainable growth programs and initiatives.



- > **Signing agreements:** Seeks to formalize in an agreement all material and non-material benefits provided to institutions, preferably formal institutions, that interact with Group company projects or operations. The procedure also seeks to formalize certificates of legitimacy for representatives of each stakeholder group involved in the agreement. This procedure formalizes all contributions made to institutions or stakeholders involved in Enel's projects.
- > **Control, Monitoring, and Execution of agreements:** Provides a set of rules based on sustainability guidelines to determine which activities must be carried out to control and monitor agreements, including the assignment of roles and responsibilities, the areas involved, and identifying critical activities of the process.
- > **Donations:** Provides guidelines to grant and manage donations, in order to guarantee their coherence with the Company's sustainable development strategy.

- > **Human Rights Management System:** Defines roles and responsibilities and describes the implementation process of Human Rights due diligence.



- > **Relocation Action Plan:** Guide to standardize management and strengthen compliance in relocation processes in line with the IFC's (International Financial Corporation) "Handbook for Preparing a Resettlement Action Plan".
- > **PPM System:** Defines KPI and methodologies to calculate impact, based on characterizations of different social and environmental investment initiatives, including a) CSV projects, b) CSR projects, c) Philanthropy projects

The purpose of this operational instruction is to achieve the following for each project:

1. Reveal the connection with the Company's assets.
2. Define a common model to update KPIs for the entire Group.
3. Guarantee geolocalization of all projects and assets mentioned.
4. Develop a permanent measurement and monitoring system and a homogeneous reporting process in terms of outcome and impact.

# Community Relations Strategy

413-1

## CSV Model – Creating Shared Value

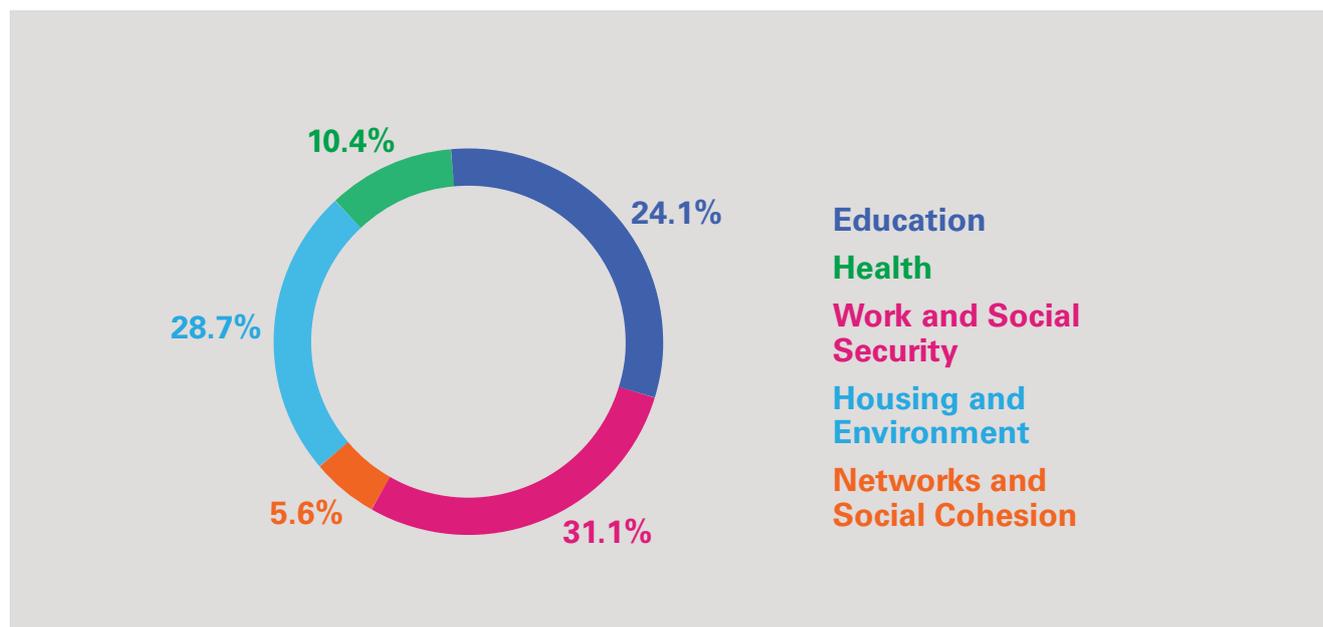
The CSV model requires each territory in which Enel Chile and its subsidiaries have operations to perform an annual planning process, based on a socio-economic-environmental analysis performed in each area of influence, a stakeholder analysis, and a materiality analysis where main issues regarding the territory and the business are prioritized. The action plan resulting from this process is co-designed and negotiated with communities and stakeholders. In 2019, the CSV model was implemented 71 times for different social and environmental initiatives throughout the Infrastructure, Networks, and Power Generation business lines value chain.

The main drivers of Enel Chile's community relations strategy are the conclusions drawn from the analysis of the country's social and environmental challenges, local needs identified through dialogue, priorities determined by the implementation of the CSV model, and guidelines established by the United Nation's Sustainable Development Goals (SDG).

SDGs are a guide to managing society's main global challenges, providing specific goals and areas of action. Since 2015, the Enel Group is committed to the UN's 2030 Agenda, contributing to reach four of the 17 goals: SDG 4- Quality Education, SDG 7- Clean and Affordable Energy, SDG 8- Decent Work and Economic Growth, and SDG 13- Climate Action. In 2018, the company also committed to SDG 9- Industry, Innovation and Infrastructure, and SDG 11- Sustainable Cities and Communities. The decision to contribute to these goals was based on the creation of Enel X and the role that network infrastructure has as an enabler of the energy transition. Nevertheless, through their Sustainability Plan, Enel Chile's actions are not limited to the six previously mentioned SDGs, but towards reaching all 17 goals. The global challenges identified by SDGs take different forms and dimensions at the local level, hence it is crucial to analyze the national, regional, and local socio-environmental context, taking into account the guidelines established by SDGs, in order to design initiatives that will generate the desired impacts and will provide an answer to local needs and priorities.

In terms of the country's social challenges, the community relations strategy takes the conclusions drawn from the Multidimensional Poverty Measurement report, defined in the National Socioeconomic Characterization Survey, "CASEN" (in its Spanish acronym), into consideration. CASEN measures poverty based on five variables: education, healthcare, work and social security, housing and environment, networks and social cohesion. By evaluating poverty in a multidimensional way, 2017 CASEN results indicate that 20.7% of the population is living in poverty.

## Contribution related to multidimensional poverty, 2017



Enel Chile is aware that strong social structures minimize risks associated to possible social conflicts and are critical to the sustainability of its business and long-term growth. Hence, the Company faces energy and multidimensional poverty in a structured manner, fostering communities' human development and socio-economic progress.

This indicator contributes to the argument that measurements such as GDP per capita or poverty based on income limit the understanding of the social situation. Multidimensional Poverty allows us to focalize in the field of action which present important disparities, for each variable under consideration.

On the other hand, Energy Poverty<sup>27</sup> is a phenomenon that is also used as an important input for the Company's community relations strategy. Due to the nature of the business, Enel Chile plays a fundamental role in reducing gaps. According to the Energy Poverty Network, "A home is in a situation of energy poverty when it lacks equitable access to high quality energy services to cover basic and fundamental needs, that sustain the economic and human development of members of that household". Hence, energy poverty is understood as a phenomenon that goes beyond access to energy, and has a multidimensional nature, considering affordability and the effects that safe, trustworthy, and quality supply of energy may have on people's development and progress.

In terms of environmental challenges, the main concern brought to light by international institutions relates to the risks and consequences associated to rising global temperatures. Alterations in the frequency of extreme climatic events, in the availability of natural resources, loss of biodiversity and ecosystems, availability of land and land use, and the overall effects on food chains, are just a few of the effects the world is experiencing today. Additionally, Chile is experiencing a critical water situation. In their study "2030 Water Scenarios", Fundación Chile indicates that Chile is among the 30 countries with the highest water risk by 2050. Moreover, Chile fulfills seven out of nine vulnerability criteria established by the United Nations Framework Convention on Climate Change (UNFCCC). The effects of the environmental crisis have social consequences relating to people's health and wellbeing, on cities, and even aggravate poverty in the most vulnerable social structures.

<sup>27</sup> Source: Red de Pobreza Energética <http://redesvid.uchile.cl/pobreza-energetica/en/what-is-energy-poverty/>

## Energy poverty in Chile



A home is in a situation of energy poverty when it lacks equitable access to high quality energy services to cover basic and fundamental needs that sustain economic and human development of household members

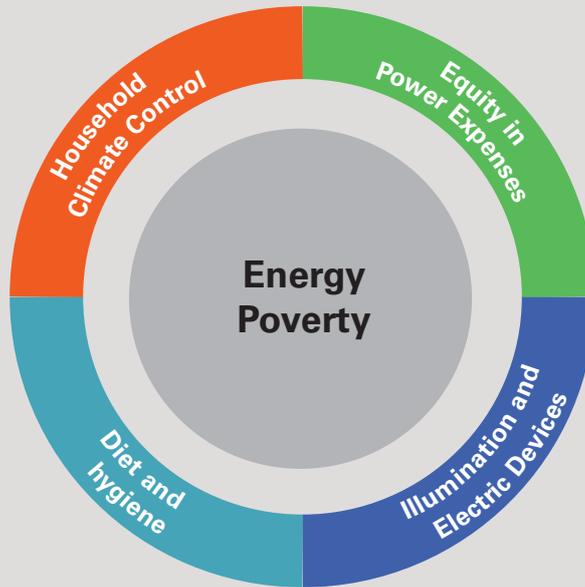
**66,2%**  
of homes have energy efficiency problems (INE 2018; CASEN 2017)

**21%**  
of homes experience feeling cold inside their households during winter (ENE 2016)

**3,9%**  
of homes use polluting sources of energy and inefficient artefacts for heating (CDT 2015)

**10,2%**  
of homes don't have Domestic Hot Water Systems (CASEN 2017)

**3%**  
of homes use paraffin or wet firewood for cooking (COT 2015)



**34,3%**  
of homes in urban areas don't have equitable access to quality energy services (EPF 2017)

**22,6%**  
of homes have excessive power expenses (EDP 2017)

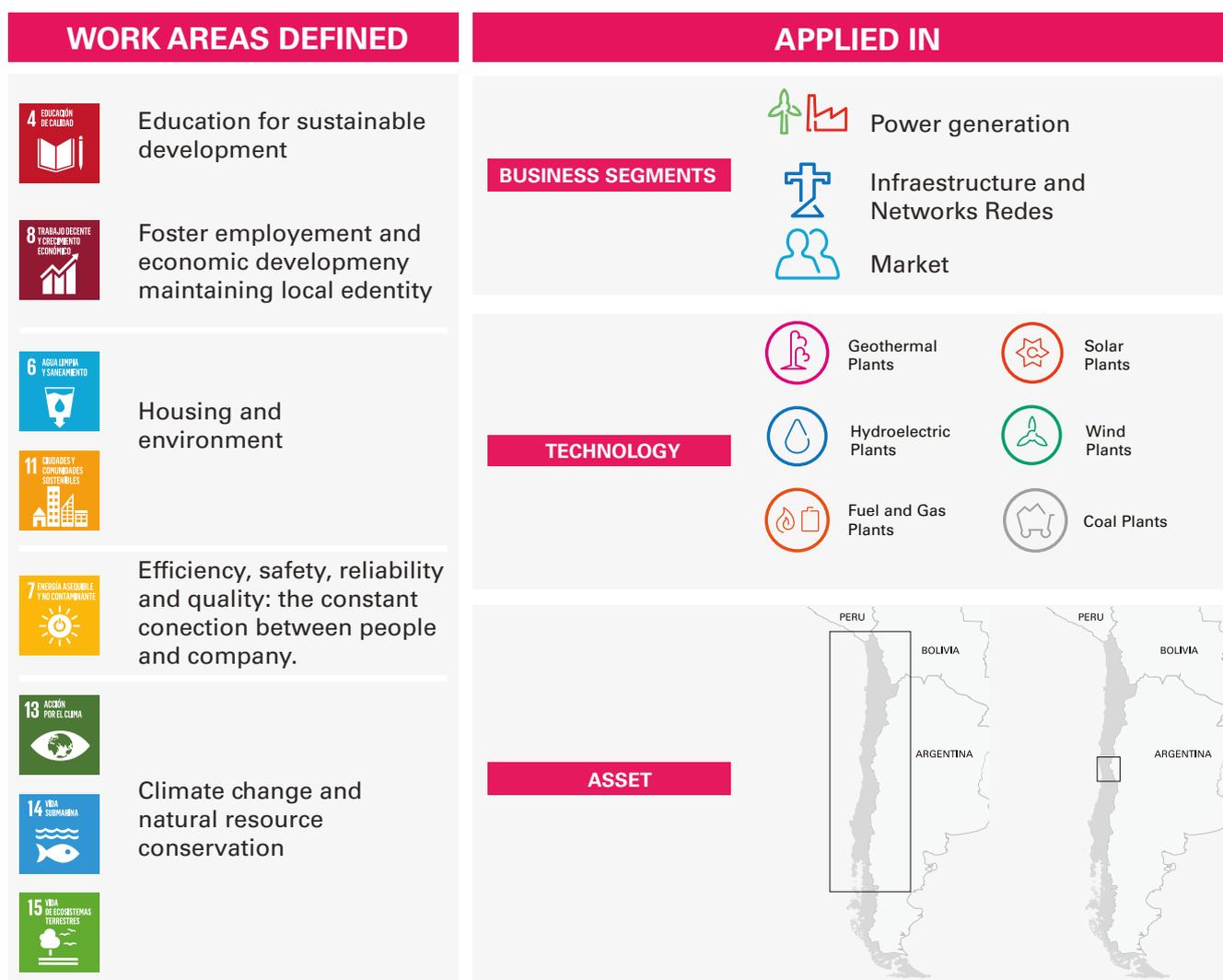
**16,9%**  
of homes limit their energy spending (EPF 2017)

**18,1%**  
of homes live in counties with electricity interruptions that last on average one hour or more. Excluding force majeure (CNE 2018; CASEN 2007)

**0,3%**  
of homes do not have access to electricity (CASEN 2017)

Source: Energy Poverty <http://redesvid.uchile.cl/pobreza-energetica/que-es-pobreza-energetica>

In this context, Enel Chile's Sustainability and Community Relations management team implements the community relations strategy through initiatives that seek to reduce the aforementioned gaps, considering the needs and priorities particular to each territory. This strategy is divided into five areas of work and 237 projects: 1) Education for sustainable development; 2) Promotion of employment and economic development while preserving local identity; 3) Housing and environment; 4) Safe, reliable, and quality electricity; and 5) Climate change and natural resources. This strategy also places a strong emphasis on women's empowerment and indigenous communities.





# Education for Sustainable Development

This area of work involves initiatives that promote access to education and spread knowledge to contributes to shaping people with integrity who are aware of their role in moving towards a better world.

## Enel Chile and its subsidiaries

2019	Area	Projects	Beneficiaries
		20	40,800

## Outstanding projects:

### Scholarships and access to education



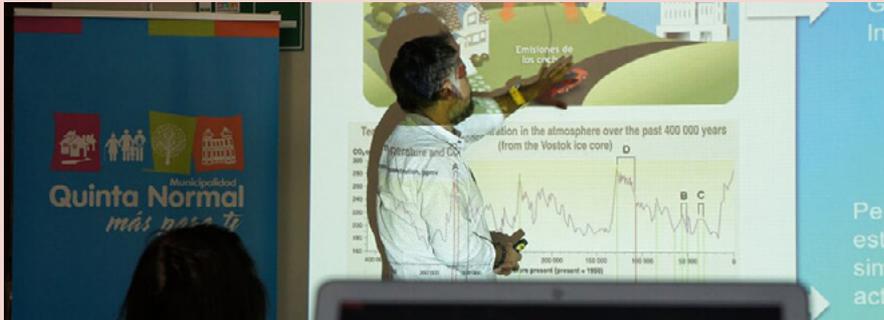
**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric and wind

**Assets:**  
Ralco, Pullinque, Renaico

As part of the Company's commitment to increase access to quality education and hoping to reduce the multidimensional poverty gap linked to schooling, Enel Chile offers scholarships to students who don't have the financial resources to pay fees, student housing, purchase materials, clothes, or can't afford transportation. Scholarships benefit students in elementary school, middle school, and high school, with the purpose of promoting formal education in communities where the company operates- mainly communities neighboring the Ralco, Pullinque, and Renaico power plants. During 2019, Enel Chile and its subsidiaries invested over Ch\$280 million in scholarships for 517 students.

## Lectures on Climate Change and its Effects on the Electricity Network



**Business line:**  
Infrastructure and Networks, Market

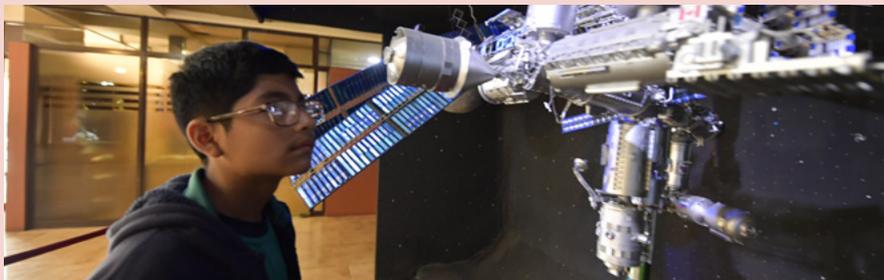


**Assets:**  
Metropolitan Region concession area

Enel Distribución Chile offers Lectures on Climate Change and its Effects on the Electricity Network to raise awareness among the families located within its concession areas regarding a phenomenon that affects everyone, and everyone can help reduce. This initiative seeks to promote education regarding climate change and give advice to modify habits and implement actions for environmental care within the community. Additionally, they warn people about the implications of climate change on electricity supply continuity.

Lectures are held in municipal buildings of counties located within the concession area, for community and territorial organizations. The Lecture is delivered by Gianfranco Marcone, a meteorologist recognized by the scientific community and in national media outlets. He addresses the current scenario and projects consequences for the next 10 to 50 years, giving advice on how to mitigate the effects. 538 people participated in these lectures during 2019.

## “The energy of the universe, an infinite adventure” in the Planetarium



**Business line:**  
Infrastructure and Networks, Market



**Assets:**  
Metropolitan region concession area

Since 2018, Enel Distribución Chile has established a strategic alliance with the Planetarium Foundation, an organization which, through Planetarium Chile in Santiago, carries out educational activities based on cultural and scientific dissemination. This alliance contemplates the elaboration of a seven-minute educational short film that addresses the effects of climate change and the role each person can have to responsibly counteract these consequences. The video is part of the Planetarium’s FullDome programming, screening from Monday to Sunday. Additionally, through this alliance, the Company invites groups from its communities to visit Planetarium Chile, so they can be a part of educational proposals such as exhibitions, interactive workshops, and screening educational films.

This initiative creates new opportunities to interact with our communities and create awareness regarding efficient use of energy, caring for natural resources, and sharing the scientific knowledge that Planetarium Chile offers in a didactic way.

During 2019, 34,106 people watched the short film “The energy of the universe, an infinite adventure”

## Quepuca Ralco School

The construction of an elementary school in the Quepuca Ralco indigenous community in Alto Biobío was one of the Company's commitments when the Central Ralco power plant was built, which contributes to the cultural identity of local communities. In 2018, the Company and the municipality agree on the construction of a temporary school, while a permanent school was being designed with local communities. This discussion panel with local communities was established during 2019, while the temporary school was under construction. In October, the school opened its doors and began operations. The 80 students attending the school, along with those who were transferred to the school located in Villa Ralco, were able to resume classes in their communities.

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Ralco



## Dual Students in Mejillones

The Ministry of Education and Enel Generación Chile partnered to develop a dual education program at the Central Atacama thermal power plant, in which students studying electricity and those studying mechanics were able to put their knowledge into practice, working with an instructor from the plant. During 2019, seven students participated in the program and one of them is currently an intern at the power plant.

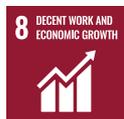
**Business line:**  
Electricity generation

**Technology:**  
Gas

**Asset:**  
Atacama



# Promoting employment and economic development while preserving local identity



One of the main goals of Enel Chile's community relations strategy is promoting employment and economic development while preserving local identity and taking advantage of the opportunities offered by the territory and the Company's projects. In this context, the Company concentrates its efforts on the development of skills and knowledge that create or foster local entrepreneurship. During 2019, the Company supported the creation of over 80 small and medium enterprises (SMEs), most of which are managed by women, creating jobs for over 300 people. Among the projects developed throughout the year, noteworthy are those related to sustainable tourism, training in administrative and productive technical skills, and formalizing SMEs.

Enel Chile and subsidiaries	
Projects	Beneficiaries
139	9.900

## Sustainable Tourism:

Enel promotes sustainable tourism in line with the World Charter for Sustainable Tourism, which stresses that "indigenous cultures, traditions and knowledge, in all their aspects, are to be fully considered, respected and promoted in policy development for sustainable tourism, and underlines the importance of promoting the full and early participation and involvement of local communities and indigenous people in decisions that affect them in tourism development projects." Hence, the Company seeks to promote initiatives that foster sustainable tourism focusing on local culture and on the conservation of natural resources. In areas with indigenous communities, these projects are characterized by being integrated with each indigenous community's cosmovision. An innovative governance system is at the base of every touristic project, having the Company and the community co-design and co-manage the projects together.

## Sustainable Tourism in Alto Loa

Alto Loa has become an important renewable energy development area due to the presence of geothermal, wind, and solar resources. Approximately 134 kms from Calama and 4,800 meters above sea level, the first geothermal power plant in Latin America was installed: Cerro Pabellón (48 MW), along with the pioneer wind energy project installed in 2013, Valle de los Vientos (90MW).

In 2015, the Company started building the Desert Interpretation Center ("CID" in its Spanish acronym), at the Central Valle de los Vientos wind farm, located 12 kms from the city of Calama. The material and architectural characteristics of the building harmonize with the desert scenery. The hexagonal infrastructure is inspired on the rose of the winds, and has a privileged geographical position making it a tourist attraction with indigenous identity, redeeming social, economic, and environmental aspects of the desert, in reference to local Atacama and Quechua communities.

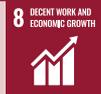
Despite their patrimonial and cultural resources, the territory and its communities haven't been able to take advantage of their touristic potential, which is why the Company developed initiatives to contribute to achieving this goal. The project intends to promote a new touristic route centered on indigenous identity and the life of desert communities, while providing knowledge about the biotic medium and renewable energies. With Atacama communities in Toconce and Caspana, a new participatory process began in order to co-design and then jointly manage the touristic route, with the support of Fundación Rondó. This training program educated community tour managers, who later developed a pilot for a touristic itinerary, designed the museography for CID, and began a branding process. The training program included an interactive workshop for the communities to become familiar with SDGs and allow them to identify the ones they could contribute to with their touristic route.

Everyone involved in the project, 75% women between 20 and 75 years of age, received over 200 hours in training during 2019. Additionally, steps were taken throughout the year to move forward with the implementation design of a better drinking and sewage water system to enable launching the touristic route in 2020.

**Business line:**  
Electricity generation

**Technology:**  
Geothermal, wind

**Asset:**  
Cerro Pabellón, Valle de los Vientos



## La Isla Park

Enel Green Power, along with the Mapuche community Mapu Pilmaiquén, designed a program with multiple initiatives to foster the development of the community, which is located near the Central Pilmaiquén hydroelectric power plant. These initiatives included home improvements, student scholarships, the installation of residential thermal solar systems, Mapuche language courses, arts and crafts workshops, and La Isla Park.

Enel granted a six-hectare lot as permanent gratuitous bailment for ethno-tourism purposes. Enel and Mapu Pilmaiquén co designed a circuit that allows visitors to immerse themselves in the Mapuche cosmovision, by travelling the native forest to reach “Saltos del Brujo” and “La Olla”, whose flow is fed by the power plant. The park has trails, signs, lookout points, and a touristic information center for visitors, rescuing the value of the biodiversity of this conservation area.

The park is managed by the indigenous community, and all revenue is spent on its conservation and environmental management. The park receives an average 6,000 visitors a year. Tourists can also visit the local arts and crafts exhibition inaugurated in 2019, where communities offer their products made using with the skills developed in the workshops offered by Enel Chile

<b>Business line:</b> Electricity generation	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>Technology:</b> Geothermal, wind	
<b>Asset:</b> Cerro Pabellón, Valle de los Vientos	



## El Barco Lagoon Camping Ground

The "El Barco Lagoon Camping" is located in Alto Biobío, 164 kms from the city of Los Angeles, in the middle of the Andes Mountain Range. It consists of a tourist center administered by the Pehuenche indigenous community "El Barco". It has an exceptional natural environment, with a lagoon and a forest of native trees, which have great cultural value for the Pehuenche families living in the territory. The camping offers food services, accommodations, trails, and kayaking in the lagoon. The camping receives an average of 6,500 tourists a year.

Enel Generación Chile worked with the community on improving existing infrastructure, such as restrooms, drainage, water, and the camping sites, for the camping ground to obtain sanitary resolution. In December, "El Barco" Lagoon received a grant from the Farming Development Institute ("INDAP" in its Spanish acronym) for the construction of six new bathrooms, consequently allowing them to expand the campground's capacity.

Additionally, the Company co-finances projects presented by entrepreneurs to offer services such as cabins, food, recreation, culture, and guided tours. During 2019, training workshops were attended by 19 people.

For more on their services, visit their [web page](#).

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Ralco



## Sustainable Tourism Workshop for Indigenous Communities to share experiences

In November 2019, Enel Chile organized a technical tour in which several indigenous communities that work with Enel in matters related to sustainable tourism could share their experiences and good practices. The Atacama communities Toconce and Caspana visited projects managed by the Mapuche communities Mapu Pilmaiquén, who run Park "[La Isla](#)", and Llaguepulli in the [Budi Lake](#). The Atacama communities that are currently beginning their tourism endeavors in Alto Loa were able to visit the sustainable tourism projects that appreciate biodiversity and indigenous cosmovision.

## Ruta Pehuenche Startup

The Pehuenche Pass is an international corridor of beautiful natural scenery, which is why Enel Generación Chile seeks to foster its potential as a scenic tourist route. This project would simultaneously increase and diversify local job offers and develop new skills in the local community. The Company is working with NGO Sembra to promote the economic development of over 100 small businesses, to help them increase their commercial and management capabilities, boosting their business and hence, their income. Additionally, the Company hopes this project will help the community become part of the regional development process, while optimizing the use of local resources.

This project has allowed our subsidiary, Enel Generación Chile, to transfer skills and competences using a learn-by-doing methodology, promoting the implementation of eco-techniques and Circular Economy concepts (eco-technologies, water solutions, food, housing, power, and sanitation) and collaborating in the creation of SMEs.



# CREATERRA

ARTESANÍA & TURISMO CONSCIENTE

RUTA PEHUENCHE · MAULE, CHILE

During 2019, five workshops were developed in the communities La Mina, Paso Nevado, Armerillo, and Las Garzas, providing around 130 hours of skills training per person. These workshops have the necessary health permits to reuse residual materials from the Central Los Condores power plant, currently under construction.

The entrepreneurs have created the company CREATERRA that commercialize their products. For more on the company and its products, visit their [web page](#).

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Maule Power Plants



## Rapel for Everyone

The hydroelectric power plant Central Rapel is one of the main reservoirs in the central part of Chile. It is an 8,000-hectare artificial lake approximately 40 kms long and is one of the most visited by middle to high income families. A decree issued by the Ministry of Economy, Development, and Tourism in 2014 declared the lake a Touristic Area of Interest ("ZOIT" in its Spanish acronym).

The purpose of the project is to open Rapel's natural heritage to the communities in the surrounding areas, which, for the most part, don't have access to the lake. Enel Generación Chile collaborated with the foundation, Fundación Náutica Lago Rapel to build a sailing trimaran to offer field trips for students from 6th to 12th grade from Las Cabras, Litueche and La Estrella counties. Students learn about environmental care, climate change, power generation, and sailing concepts during these field trips.

During 2019, 30 educational field trips were carried out, benefitting 848 students and 89 teachers. The second phase of the project will begin in March, hoping to benefit around 1,000 more students throughout 2020.

The trimaran is also used for Company events, hence financially supporting the initiative.

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Rapel



## Promoting Entrepreneurship:

Entrepreneurship as a key element for development and for a self-sufficient local economy.

### Coronel Competitive Funds

Enel Generación Chile and the NGO Sembra annually carry out a competitive funding process entitled "[Innovation and Energy for your Start-Up](#)". The process is open to the entire Coronel business community, seeking to foster growth opportunities for small enterprises through Innovation.

The evaluation of the proposals presented by participants considers criteria regarding the company's formalization, experience, performance, contribution to local identity and heritage, environment, sustainable solutions to face climate change, and requires they include at least one of the 17 Sustainable Development Goals proposed by United Nations.

This initiative is developed in phases, beginning with the design of databases, sharing them, and carrying out workshops on project formulation, project application processes, project evaluation, communicating results, purchases, and support mechanisms. In its 2019 version, the competitive fund formed a partnership with Coronel's PRAS (Spanish acronym for Environmental and Social Recovery Program), which reports to the Ministry of Environment. This partnership raised awareness within the community's business sector on the climate crisis, resulting in an increasing number of environmental project proposals.

Since 2018, competitive funds have financed 67 SMEs, 32 of these in 2018 and 35 in 2019. The competitive fund in 2019 set the goal to increase funding of environment and climate change related projects, going from eight in 2018, to 16 in 2019.

For additional information on winning projects, visit Enel Chile [web page](#).

<p><b>Business line:</b> Electricity generation</p> <p><b>Technology:</b> Coal</p> <p><b>Asset:</b> Bocamina</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 
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## Entre Pallets

Four women from Coronel made history by opening the first local and regional eco-furniture shop. They were trained by Enel Generación Chile and the NGO Sembra in bioconstruction techniques, eco-carpentry and business administration. These new skills gave them the tools to start their own business, "[Entre Pallets](#)". Entre Pallets manufactures furniture by recycling pallets from the Coronel industrial park. The furniture is for both residential and commercial use and is produced under high quality and design standards. By incorporating circular economy concepts, Entre Pallets is committed with the environment and intends to reduce the impact of all its processes.

292 pieces of furniture were manufactured during 2019, using 2,200 pallets supplied by the Bocamina Power Plant, equivalent to 22,620 kgs and preventing the equivalent of 22,620 tons of CO<sub>2</sub>.



**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Ralco



## Pewen Mapu: "We Kimun" Cooperative

During 2017, six families of the Pewen Mapu community located in Lonquimay started a small-scale potato farm project. To improve quality and productivity, Enel Generación Chile financed the purchase of six additional hectares of land for the farm project that same year.

With the support of two agronomists, the Company provides technical, logistical, and commercial support to farmers in the area, contributing to the development of the "We Kimun" Cooperative. During 2018, the Agricultural and Livestock Service ("SAG" in its Spanish acronym) certified We Kimun as potato seed producers, making the cooperative one of 17 licensed farmers in the Araucanía Region, which also added important commercial value to its products.

An agroindustrial multipurpose room, which began construction in early 2019, with a centrifuge to harvest honey was inaugurated last September to add value to Wi Kimun's products. During this same period, the Company worked with the We Kimun Cooperative in an innovative crop program, developing sample units of strawberries to be harvested for the first time in early 2020.



# Housing and environment

The Housing and Environment work area responds to the gaps identified under this category in terms of multidimensional poverty: improving habitability, access, quality of basic services, and environmental conditions. This work area is related to SDG 11 because it involves a direct contribution by the business and is in line with the Company's community relations strategy. The portfolio of projects under this category includes various initiatives, from relocations under international standards, to rural drinking water systems, and recovering public spaces by adding public lighting and urban art.

## Enel Chile and its subsidiaries

2019	Area	Projects	Beneficiaries
		8	1,000
		3	670

## Outstanding projects:

### Coronel habitability, public services and context

The Bocamina thermoelectric power plant is located in the city of Coronel in the Bio-Bio Region. It is made up of two coal power plants: Bocamina I (128 MW) which began operations in 1970, and Bocamina II (350 MW) built between 2007 and 2012. The second unit's construction involved a relocation process because it was built in an area populated by around 1,300 families, which was a learning experience for the Company. After a long-standing, historic conflict with the community, in 2017 Enel Generación Chile and several local community representatives reached agreements to move forward towards a relationship based on regaining trust through dialogue and transparency (for more information regarding these agreements see [Enel Generación Chile](#) and [Enel Chile 2017 Sustainability Report](#)). These agreements led to a detailed analysis, on behalf of the Company, to amend the negative effects of the previous process, which resulted in the application of the standard established by guidance note 5 of the World Bank's International Finance Corporation, regarding "Land Acquisition and Involuntary Resettlement".

**Business line:**  
Electricity generation

**Technology:**  
Coal

**Asset:**  
Bocamina



By the end of 2019, 1,237 out of 1,337 families were relocated through a process that incorporated the guidelines indicated by the international organism, considering, among others:

- Identifying the necessary structural improvements for some of the homes in the Coronel community. To do so, a technical team was formed, including members of the community, Enel Generación Chile, and CITEC – Universidad del Bío-Bío. They identified which homes needed improvements and developed a plan for two communities. By the end of 2019, the necessary improvements were defined in a pilot project that involved four homes. These construction projects will begin in 2020.
- Implementation of a dashboard that summarizes how construction deficiencies have affected people's quality of life since 2010 and quantifies the respective compensation for such impact.
- Reconstruction of the school, planned in collaboration with Coronel Municipality's Educational Division and set to begin during 2020, and of churches in new neighborhoods.

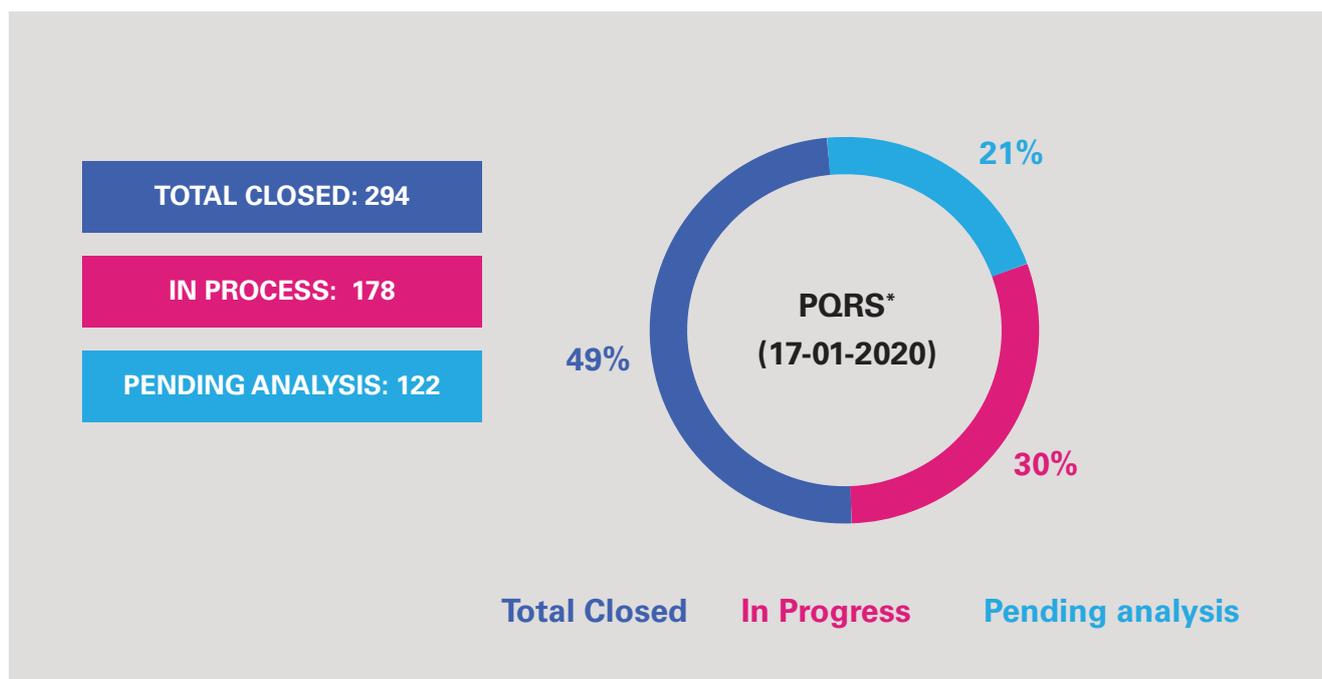
Additionally, during 2019 all resettled families were included in a registry to identify possible gaps in post-resettlement livelihood components. This process allowed defining the necessary measures to remedy the impacts identified in new neighborhoods. In this context, a few projects emerged during 2019, such as Chile's longest mural that represents the county's most significant events, chosen and designed by the neighbors themselves, and the construction of a six-hectare park



28 IFC performance standard N° 5 Land acquisition and involuntary resettlement taken out of [https://www.ifc.org/wps/wcm/connect/eb8c5337-adc3-4021-af26-276a6059ae7f/GN5\\_Spanish\\_2012.pdf?MOD=AJPERES&CVID=mRQYgm](https://www.ifc.org/wps/wcm/connect/eb8c5337-adc3-4021-af26-276a6059ae7f/GN5_Spanish_2012.pdf?MOD=AJPERES&CVID=mRQYgm)

## Complaint System

Coronel Open House is a space of communication and dialogue between the Company and the community, where relevant information is shared and that includes the complaint system. The complaint system is managed based on transparency, equity, and non-discrimination criteria. A total 594 complaints have been processed since its implementation in 2018.



\* System of requests, complaints, claims and suggestions ("PQRS" in its Spanish acronym)

## Alto Biobío

Enel Generación Chile operates three hydroelectric power plants in Alto Biobío, with an installed capacity of over 1,100 MW (Ralco, Pangué and Palmucho). The area is characterized by the long-standing presence of Pehuenche indigenous communities, with a population of around 3,000 people in the plant’s area of influence, made up by 800 families in 10 communities (Pitril, Callaqui, El Avellano, Aukiñ Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, Guayalí, Pewen Mapu, and Ayin Mapu). Since 2017, the Company has established 10 work groups dedicated to co-designing and planning community development initiatives, closing collaboration agreements with nine out of ten communities. In addition to the projects focused on education and economic growth, work plans in the territory have considered several projects that contribute to access to basic services, such as water and sanitation, and improving habitability conditions for the families that were resettled during the construction of the Central Ralco power plant (which began in 2004).

In this context, during 2019 the following actions were completed:

- Improving drinking water systems for the Ayin Mapu and El Barco communities.
- The construction of 34 households for resettled families from the El Barco community reached 80% completion.
- Seven bridges near the Ayin Mapu community were repaired to ensure connectivity for 41 families.

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Ralco



## Maule

The shared vision plan defined by Enel Generación Chile with the collaboration of communities that neighbor the Company's operations in the Maule Basin contemplates the development of enabling infrastructure, among other actions. The plan includes investments in infrastructure that address conditions that suppress the development of the Alto Maule communities. The Company has established relations with the communities Paso Nevado, Pehuenche, Armerillo, San Carlos, La Suiza, Las Garzas, Los Álamos, La Mina, and El Médano.

<b>Business line:</b> Electricity generation	
<b>Technology:</b> Hydroelectric	
<b>Asset:</b> Maule power plants	

Hence, during 2019 the following projects were completed:

- Improvement of access roads to Los Álamos, project initiated in 2018, resolving the sector's connectivity issue and making the town accessible to passenger buses and garbage trucks, among others.
- Installation of a water well extraction and distribution system that feeds the rural drinking water system. It will guarantee water supply to nearly 250 residents of the area.
- Sanitary solutions system for towns in Alto Maule, involving the installation of household liquid waste treatment and management systems that will benefit over 150 people. Construction will begin in 2020.



## Quintero and Quillota Innovability

In 2017, Enel Generación Chile **with the collaboration of local communities** designed Sustainability Plans for Quillota and Quintero, cities where the company operates thermal power plants San Isidro and Quintero, respectively. The implementation of both plans began in 2018, promoting energy efficiency and self-generation projects associated to the energy transition. These projects improve quality of life and contribute to the community's urban development. They belong to the Quillota Innovability and Quintero Innovability work areas.

**Business line:**  
Electricity generation

**Technology:**  
Gas

**Asset:**  
Quintero and San Isidro



In Quillota, in 2018, a 3-kW photovoltaic energy system was installed in Fire Department N°4 and 10 autonomous LED solar power lights were installed at the roundabout, San Pedro intersection, and El Cajón area of San Pedro. This led lighting project provides lighting for areas with high traffic and pedestrian flow, contributing to the safety of these areas.

In Quintero, in 2018, three photovoltaic energy generation projects with 6 kW installed were inaugurated. Also 12 autonomous light posts were installed in streets, parks, and the El Estuche look out point. The plan replaced LED lights of Loncura's El Estuche and El Bosque community centers, which allowed recovering public spaces for the community and also make the community a protagonist in the energy transition.



The initiatives launched in 2018 were monitored throughout 2019 to ensure they remain operational for the over 2,500 beneficiaries that live in the area.

## Open Power to Art: Recovering public spaces through culture and art

Public spaces in cities have a significant impact on socialization, people's sense of belonging, their identities and their neighbor's identities, and how they relate to one another, influencing the closeness, safety, and comfort people feel in their own neighborhoods. In this context, Enel Distribución Chile developed Open Power to Art, an initiative seeking to contribute towards social inclusion and recover public spaces through culture and sustainable art with community murals. This mitigates the visual impact of the Company's electricity substations located in Independencia and Cerro Navia counties.

**Business line:**  
Infrastructure and Networks, Market

**Asset:**  
Metropolitan Region concession area



The design of murals was developed through a participatory process involving more than 100 neighbors of all ages and local artists. They represent the neighborhood's most iconic stories, in connection with the identity of the space they inhabit. The first step of this process was an open discussion where people could express and identify aspects of their culture and identity what represents them, so that local artists could elaborate a sketch, and then paint the mural along with neighbors. This initiative is an opportunity to find talent within a neighborhood, share new skills and knowledge through an artistic and cultural experience, all the while making people the protagonists of their neighborhood.



# Efficiency, Safety, Reliability and Quality: Constant Connection between people and the Company



Electricity is the core of Enel Chile and its subsidiaries' generation and distribution business. Therefore, the Company is aware of its responsibility in ensuring a safe and reliable, quality supply of electricity and services and its role in increasing people's awareness on efficient and responsible use of electricity. In this regard, the Company has carried out initiatives in vulnerable areas to guarantee safe electricity supply, and has hosted workshops with neighborhood councils, institutions, and has offered educational programs regarding energy.

### Enel Chile and its subsidiaries

2019	Area	Projects	Beneficiaries
		17	28,800

## Outstanding Projects:

### Vulnerability and Energy Safety in Marginalized Areas

The UNDP describes energy poverty as a multidimensional phenomenon that not only refers to access to electricity, but also to qualitative attributes such as quality, safety, and continuity of supply. It also maintains a direct relationship with people's income and attained level of education.

In this context, the Company partnered with Fundación Techo to address the community's main risk factors in terms of electric safety which included regularizing their electricity connections. The 200 families in Media Luna neighborhood, an informal settlement located in Lampa county, Santiago, were beneficiaries of this project and today have safe access to electricity. The project involves the construction of a "Common Roof", a community center that offers people a place to connect, learn, and have fun. Workshops are carried out in this center regarding the main concerns of the settlement's sustainability.

During 2019, educational programs were implemented concerning waste management, climate change, health and well-being, first aid, energy safety and efficiency from the perspective of everyday changes in behavior that reduce electrical risks in camps and improve people's quality of life. This activity was developed with the participation of the Media Luna community, extending the invitation to families in the neighboring informal settlements, La Pompeya, also in Lampa county.

**Business line:**  
Infrastructure  
and Networks, Market



**Asset:**  
Metropolitan Region concession area



## Enel in your neighborhood

Enel in your neighborhood is a community relations program implemented by Enel Distribución Chile that began in August 2010 to establish direct, close, and permanent relationships with its clients, characterized by transparent information regarding electricity supply. This program carries out several dialogue and communication initiatives with multiple community organizations located within the company's concession area. Additionally, several workshops have been held, informing people about energy efficiency, self-care, and the breakdown of their electricity bill. During 2019, this initiative also addressed subjects such as climate change and its effects on the electricity distribution network.

**Business line:**  
Infrastructure  
and Networks, Market



**Asset:**  
Metropolitan Region concession area

## Workshops for Neighborhood Councils

During 2019, the Company organized 127 informative workshops regarding electricity management and energy use, for 65 community organizations in 18 different counties. These workshops addressed subjects related to energy efficiency, safety, quality, and continuity of electricity supply, as well as consumer rights and obligations (in collaboration with "ODECU"- Consumer and User Organization in its Spanish acronym), and first aid courses in a joint effort with ACHS (Spanish acronym for Chilean Security Association). In these events, community members received energy-efficient lightbulbs as a practical solution to the topics discussed and as a direct contribution to their household economy.



### Benefitted Families

2016	2017	2018	2019
2,294	1,794	2,094	2,646

## Workshops for Institutions

Enel Distribución Chile organized a series of workshops for firefighters, police officers and municipal workers to establish a collaborative network to face electricity contingencies. These workshops are theoretical-practical classes dictated by Enel Chile professionals for people to learn about the characteristics of the distribution network, prevention of electrical risks, and coordinate responses in electrical emergency situations.

300 people participated in these workshops that took place in the Metropolitan Region's Fire Department and in Santiago's Police Station N°1.

## PlayEnergy

Play Energy is a competition carried out by Enel Chile since 2017 for young people between the ages of 7 and 18. Its goal is to promote innovation and sustainability, stimulating scientific thinking, creativity, and creating awareness on energy use.

The contest consists of students working in groups of three to develop an idea with the help of a teacher. Each team receives an educational kit designed to help students understand the use and applications of electricity and provide the teacher with activities for the classroom. The challenge for each team is to design a project that promotes an innovative use of electricity.

During 2019, 170 projects were presented by 112 schools nationwide, reaching around 3,850 students and 320 teachers.



# Climate Change and Conservation of Natural Resources



Today, climate change is society's main challenge. The impacts of climate change can potentially deepen social challenges such as inequality and inequity. The most vulnerable social structures are the first to be affected by the climate crisis, especially those who live off small farms, in areas where natural resources are highly exploited and there is a shortage of water.

Those with less infrastructure to face extreme climatic events, such as floods or forest fires, are also amongst the most affected. Enel Chile and its subsidiaries seek to design initiatives that optimize and value the use of natural resources in their operations to mitigate the environmental impact they could cause, all the while identifying solutions that represent an opportunity for surrounding communities.

## Water Management Project in the Maule basin Awarded First Place in 2018 Water Category in the National Environmental Award, of Fundación Recyclapolis

This project received 2nd place in the National Generation Association contest "Good practices for a more sustainable future in electricity"; in its 2019 version.



## Water Management Program in the Maule Basin

In the Maule Region, 33.6% of the population lives in rural areas, and the main economic activity is agriculture, livestock and forestry. According to Chile's Central Bank, this sector of the economy represents 16% of GDP, and provides 30% of all jobs in the Region. Enel has seven hydroelectric power plants in operation in the Maule River, with an installed capacity of 882 MW and an annual gross generation of around 4,421 GWh (~5.8% of national gross generation in 2018). Under these conditions, promoting an efficient shared use of water is a key aspect of optimizing the use of available water, both for the agricultural sector and for hydroelectric generation. Agriculture is responsible for 70% of consumptive use, mainly irrigation, however 85% of the surface in the Maule Region is irrigated with low-efficiency systems. This is because, aside from the limitations implicit in such systems, irrigation decisions aren't based on technical elements that efficiently use available resources. This situation has left small and medium sized farmers in a vulnerable position that is exacerbated because they have more difficulties in adapting to situations.

**Business line:**  
Electricity generation

**Technology:**  
Hydroelectric

**Asset:**  
Maule power plants



In this context, the Water Management Program for the Maule Basin seeks to create tools and skills that optimize the use of water and hence reduce the impact of the water deficit, both for agricultural activities and hydroelectric generation. The program consists of a technology package developed alongside CITRA (Spanish acronym for Center for Irrigation and Agroclimatology Research) of the University of Talca. The main barrier of the program is the approach people have towards water as a scarce resource, which needs to transition from a reactive approach when faced with water scarcity, to a planned use of this resource based on technical knowledge of how to distribute and supply water for crops. These elements provide flexibility for farmers to maintain their production capacity in the face of climate change and sustain agricultural economic development in the area.

Additionally, efficient use of water became a part of the curriculum for agriculture students in San Clemente Entre Rios School. The school's demonstration lots were transformed into an irrigation technology transfer center for the community, making these technologies and the associated knowledge accessible to current and future generations of farmers in the area.

Around 450 students and teachers have benefitted from the program. Also, since the implementation of the program, the School's enrollment has increased by 10 students per grade.

A pilot lot was launched as a result of the program, which demonstrated important water savings- around 42.2% on average for certain crops, and greater efficiency (Beans- 45% water saved and increase in productivity from 3 to 4.3 kg/m<sup>3</sup> ; Industrial tomato- 35% water saved and increase in productivity from 5.3 to 9.5 kg/m<sup>3</sup>).



## Quintero Measures

Climate change is everybody’s responsibility, hence it is fundamental to promote environmental knowledge and skills. During 2018, Enel Generación Chile launched the program Quintero Measures, seeking to strengthen technical, economic, and administrative skills among social leaders and neighbors, in order to co-design a community environmental monitoring system in one of the most contaminated bays of the country.

During 2018, the program consisted of training courses for 14 monitors at the Engineering School of Universidad Católica de Valparaíso and workshops offered by the consulting companies Quintil Valley and Biotecma on theory and practical concepts related to environmental management and regulation. In 2019, the Company, with the support of these same consulting firms, began a collaborative effort to launch the Quintero Measures Corporation. This start up stage of Quintero Measures Corporation required new training. The content of this new training program was defined in detail and agreed upon with the members of the corporation, to provide the technical tools and necessary information for the partners' decision making process, which included consultancies and collaboration with the board to implement critical actions for the corporation’s sustainability.

Content was defined focusing on planning and business models for the Quintero Bay, teamwork, and sensory evaluation fundamentals. Courses will begin January 2020 and will continue until 2021.

<p><b>Business line:</b> Electricity generation</p> <p><b>Technology:</b> Gas</p> <p><b>Asset:</b> Quintero</p>	<p>13 CLIMATE ACTION</p>  <p>14 LIFE BELOW WATER</p>  <p>15 LIFE ON LAND</p> 
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## Quillota Breathes to face Climate Change

To tackle climate change and reduce the level of greenhouse gasses in the city of Quillota, the local Municipality, DuocUC, and Enel Generación Chile formed an alliance to carry out the largest urban tree planting program in Chile. Quillota Breathes involves planting 100 thousand trees and placing people in the center of climate change action. Additionally, the project includes raising environmental awareness by disseminating information and educating people on environmental issues.

To follow the progress of the tree planting program and learn more about the initiative, click the following [link](#).



# Bocamina and Ralco: Two examples of rebuilding relationships between communities and the Company

## Bocamina: Enel Generación Chile's Social Management in Coronel

### The Past

Bocamina II is a 350 MW coal-fired thermoelectric power plant located in Coronel, Biobío region, in Chile that began construction in 2007. The plant is part of the Bocamina thermoelectric facility, whose first 128 MW unit was built in the sixties and began operations in 1970.

The second unit was built next to the first one, in an area with approximately 1,300 families living nearby, characterized by its high urbanization and social vulnerability.

The impact of the construction phase led to an important conflict among the families living near the power plant. In 2010, Endesa Chile, currently Enel Generación Chile, began a relocation process that ended in 2018. Resettlement was carried out providing people with new homes that were far away from their original location. This had important implications on the lifestyle of the relocated families. Lack of support mechanisms and a comprehensive view of family relocation issues led to adaptational difficulties due to the human and socio-economic impacts of this process. For instance, the relocation plan did not consider rebuilding the long-standing school and churches present in the previous neighborhood. Additionally, defects and deficiencies were found in over 240 homes, causing the dissatisfaction of relocated people.

### Impact remediation and rebuilding relationships

In January 2017, Enel began a detailed analysis to rebuild its relationship with the affected population and remedy negative impacts. An assessment was carried out with Environmental Resources Management (ERM), a company with experience in this field. It identified several gaps in the process carried out by Company in comparison to international resettlement standards. Due to its retroactivity, this process has become a landmark in terms of impact analysis and relative remediation.

An action plan was elaborated, based on the results of the assessment, to propose solutions to persistent problems, to adequately manage risks and put an end to the conflict.

The new social management system is based on audibility, transparency, metrics, and equity criteria when it comes to solutions. It breaks the paradigm based on economic transition as a way of resolving conflicts. This change involves a cultural transformation process in the relationship between business and society, which leads to some conflicts in the short-term, but generates value for both parties in the long-term.

The main initiatives of this process focus on reestablishing livelihood components and human capital:

- **Repair the structural deficiencies of over 240 homes located in Huertos Familiares and Doña Isidora communities**
  - > In 2018, a technical committee was formed, comprised of representatives of the Company, the community and CITEC (Universidad del Bío Bío), which focused on identifying the construction defects that needed repair. During 2019, all technical problems that are repairable were identified and the repair work was programmed to begin in 2020. Pilot repairs will be carried out first in order to optimize the large-scale process to be carried out in a second stage.
- **Remediate negative impact from living in a home with structural problems. Affected families demand remedy for the impact on their quality of life.**
  - > An assessment was carried out to measure the impact of poor construction on the families' quality of life since 2010, and the respective corrective measures were quantified. Since 2018, these impacts were identified and agreed upon with families, financially quantified, and economically compensated.
- **Relocate churches that were not considered in the resettlement process**
  - > The company signed an agreement with different religious organizations in Coronel that were not involved in the resettlement process, and whose churches were left behind after residential neighborhoods were relocated. Enel Chile committed to relocate them within the resettlement areas. Seven churches are currently under construction, and one of them will be inaugurated in 2020.
- **Rebuild the historic school in Coronel, "Rosa Medel", which lost its original social network as a consequence of the relocation and reduced the number of students from 300 to 100.**
  - > Rebuilding the historic school and churches in the new neighborhoods. According to the Municipality of Coronel and the parent's association of "Rosa Medel" School, during 2019 an agreement was signed to rebuild the school elsewhere. The agreement involves Enel Generación Chile in financing the soil study and co-financing the school's reconstruction.

- **Reestablish human capital and livelihood components for resettled families.**
  - > Developing the program “My neighborhood, our neighborhood” which involves a requalification process of new and pre-existing neighborhoods located in the power plant’s area of influence. During 2019, a sports center in the community of Huertos Familiares was built, the eco-construction of a community center in the Cerro Obligado neighborhood, and a recreational area with green spaces and eco-sustainable infrastructure began construction in this same neighborhood.
- **Create a complaint management system**
  - > The development of a transparent and fair system for managing community complaints and/or requests. This system allowed successfully solving over 100 cases and is currently managing over 300 petitions. A multifunctional team that includes legal experts as well as resettlement and sustainability consultants collaborate to ensure transparent and fair solutions.

## A plan for Coronel

During 2019, the Company has contributed with innovative initiatives for local economic development, recovering public spaces, and development of human capital.

## Circular Economy

In the community of Cerro Obligado, a training program on eco-construction and eco-furnishing was started for women. The project was implemented in collaboration with the NGO Sembra and has trained four women to the date of this report. These eco-carpenters work in their workshop in Coronel, where they reuse pallets and other materials from various local industries and transform them into furniture and other objects. The workshop also has electric transport to deliver their products. As of today, this company has recycled more than 1,000 pallets coming from local industry and has made more than 700 pieces of furniture.

## Participatory Art for the Recovery of Public Spaces

By means of a community participatory process related to design and painting, Chile’s longest mural was painted on the perimeter wall of Central Bocamina power plant in Coronel. This project was designed with 14 focus groups which involved over 70 people, from children of the age of 7 up to 80-year old grandparents.

## Coronel Cleaning Plan

The cleaning plan currently taking place in Coronel covers several hectares adjacent to the power plant. It involves eliminating micro-waste landfills and removing residual materials from the original homes of relocated families, avoiding environmental impacts and situations of abandonment and insecurity.

During 2019, Enel Chile signed an agreement with the Chilean Government to schedule the closure of coal-fired power plants. The first plant, Central Tarapacá, was shut down in 2019. The closure of Bocamina 1 is programmed for 2023, and Bocamina 2 will retire no later than 2040<sup>29</sup>.

## Coronel Open House

Enel Generación Chile's Open House in Coronel is a reference point for the entire community. The inauguration of this structure reflects Enel's Open Power vision, especially in terms of community relations. Open House is the space where the Company receives people that want to share a fair dialogue, a place for collaborative work, where solutions are requested and defined according to the principles and criteria of a complaint management system known by the entire community.

Open House has a team of professionals that are dedicated to the territory, and provides a space of dialogue based on transparency, equity, and non-discrimination.

## Reestablishing economic capital

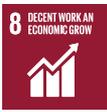
The fourth edition of the competitive funding process "Energy for your Start-Up" will take place in 2020. Its goal is to train entrepreneurs and co-finance their new or existing start-ups. The Company seeks to strengthen local economic initiatives such as small and medium enterprises, and foster community development with this competitive fund. This initiative is geared towards the small entrepreneurs from the community of Coronel, and since its second edition, summons entrepreneurship related to local heritage, fishing, arts and crafts, and nutrition, among others.

During 2019, the Fund awarded start-ups that contribute to mitigate the effects of climate change, raising awareness among the community. Since its implementation in 2018, the program has contributed to the formalization of approximately 140 companies, of which 67 have received funding.



29 For further information on this subject see chapter on Low Carbon page 59

## Enel Chile and its efforts in Bocamina

2019	Area	Projects	Beneficiaries
	 8 DECENT WORK AND ECONOMIC GROWTH	56	1,125
	 10 REDUCED INEQUALITIES	3	2,725
	 7 AFFORDABLE AND CLEAN ENERGY	1	32

# RALCO: Social Management of Alto Biobío communities

## History

Ralco (690 MW), Palmucho (32 MW) and Pangué (467 MW) are hydroelectric power plants owned by Enel and built by Endesa in Alto Biobío, in the Chilean Biobío Region, an area that is characterized by the historical presence of the indigenous Pehuenche populations. The plants began operating in 1998 (Pangué), 2004 (Ralco), and 2007 (Palmucho).

Due to the size of the reservoir, 81 families of the El Barco and Ayin Mapu communities were resettled. Social and housing services were at the disposal of these communities, through a Continuous Assistance Plan for a period of 10 years for each family.

In 2001, during the construction of the Ralco reservoir, an old cemetery was flooded, creating a powerful public response due to its cultural significance. In the area where the reservoir is today, several ceramic and utensils were rescued and delivered to the Municipality of Alto Biobío for their conservation, as established by the Chilean government through the National Monuments Council.

The construction of Central Ralco power plant was strongly opposed by local communities, and the conflict remained for several years. Hoping to mitigate this situation, competent authorities determined several measures the Company has had to fulfill.

Along the same lines, the Latin American Human Rights Court laid out a claim demanding that the Chilean Government not authorize the construction of any additional hydroelectric power plant in the Alto Biobío area, and to constitute an administrative unit in this territory- giving rise to the Alto Biobío county.

In order to compensate for Endesa's impact on this territory, today Enel Chile along with competent authorities have established the following measures:

- Improvements to the Ralco Lepoy community cemetery (finalized)
- Support the Quepuca Ralco School by building a community center (under construction).
- Build a memorial site (under planification).
- Identify and protect local heritage sites (finalized).
- Manage and finance the construction of a cemetery in Quepuca Ralco (under planification).

The affected Pehuenche families did not authorize these measures, because they were not consulted or included in the definition process. In 2017, only after a specific agreement was reached with the families, the Company was authorized to implement these measures. The stage of development of each initiative is mentioned in the previous list.

## Impact Remediation Process and Rebuilding Relationships

### Historic agreements with families in Alto Biobío

On February 3, 2017, an agreement was signed between Enel Generación Chile and 24 families of the Aukin Walmapu community, regarding the impact caused by the flood in the Pehuenche cemetery in 2004. The agreement was signed by the leading representatives of the affected families and by legal witnesses, the Archbishop of Concepción, the Provincial Governor of Alto Biobío, and by the mayor of Alto Biobío.

Another agreement was signed on June 28, 2017, this time with the communities El Avellano and Quepuca Ralco, which refers to the Company's commitments with the people who historically inhabit the ancestral community.

These agreements represent an important step in the relationship between the Company and communities in the most affected area. They open new doors to a new cycle of relationships, under a perspective that seeks collaboration between the Company and the communities in the area.

## Establishing dialogue focused on community development

Currently, there are dialogue and collaboration agreements with 9 communities in the area. Several actions have been carried out aiming towards the socio-economic development of families through the implementation of innovative projects that foster the conservation of natural resources and of the Pehuenche Culture. In short, sustainable community development.



## Economic Development Initiatives

Thanks to the entrepreneur training and development program, 96 individual start-ups have been strengthened, and three new community entrepreneurship have been boosted.

- **Program to diversity hazelnut products, Alto Biobío**

In the context of a Pehuenche rogation and with the Avellano community as protagonist, the Chilean Hazelnut diversification program was launched. Enel Generación Chile promoted the project along with Universidad de Concepción, the Avellano community, the Municipality of Alto Biobío, the Fund for Agricultural Innovation, and Fundación Pehuén, to foster the development of products derived from the Chilean Hazelnut, taking an ancestral activity into the present as a micro-enterprise.

- **Tourism in El Barco**

In the Pehuenche community of El Barco, investments are being made to improve the infrastructure of the "Laguna El Barco Camping Grounds", run by the community. More than 6,000 tourists travel every season to enjoy the area. Collaboration between Enel Chile and the community has focused mainly on improving sanitary facilities, installing new bathrooms and drainage for wastewater treatment. Improving the water system that supplies the camping is also one of the initiatives included in the medium-term to improve conditions. During 2019, community entrepreneurs were supported as agreed in the Dialogue and Collaboration Agreement to promote and develop tourism services for visitors.

The purpose of these activities in El Barco is to provide additional income to finance some of the farming activities carried out by the community- soil tillage, purchasing fertilizers, and acquiring seeds- which contribute to sustaining an important amount of livestock and fostering the economic activity of families dedicated to tourism. El Barco has effectively created a truly virtuous economic system that benefits the whole community.

- **Potatoes in Los Chaicanes, Lonquimay Sector**

In Los Chaicanes, a potato farming project is being established. The original purpose of this initiative was to commercialize potatoes to be consumed by the people in the area. However, the activity evolved into the production of potato seeds that has been recognized by Chile's Agriculture and Livestock Service, as one of the 17 authorized seed producers in the Araucanía Region, allowing the certified seed to be sold in the region's 32 counties.

In 2019, a processing room for the community was inaugurated, which was financed by Enel Generación Chile, Chile within the scope of collaborative community initiatives carried out with the community and the Technical Cooperation Service SERCOTEC (in its Spanish acronym).

These efforts led to the creation of agricultural cooperative We Kimun, which gathers potato producers and farmers of other crops that grow naturally in this territory that are being processed to make jam and honey, among other things.

- **Access to Education**

In terms of education, the Company is committed to implementing a school with a cultural sense of belonging. Its design and location were determined through a participatory process to ensure that the use of spaces and didactic models are in line with the Pehuenche cosmovision. The design of the school reflects these principles, and the construction has already been planned. For the meantime, Enel Generación Chile financed the installation of a modular school, in collaboration with the Alto Biobío Municipality.

In terms of direct support to families and students in the area, Enel Chile grants scholarships to finance school fees, living expenses for students in the cities where their educational facilities are located, and other educational material to contribute to the education of grade students or higher-level education. This initiative benefits over 700 students.

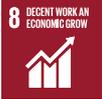
These actions are channeled through the Long-Term Program for resettled families, through the Agreement with Alto Biobío Municipality and through Fundación Pehuén.

## Long-term plan with resettled families

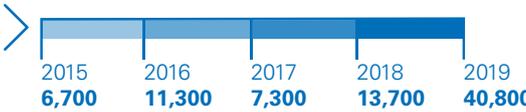
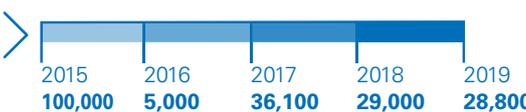
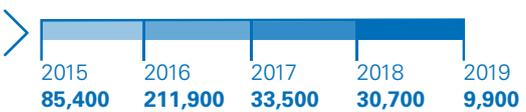
In 2019, several long-term management plans were agreed upon with the El Barco and Ayn Mapy communities, programming initiatives focused on socio-economic development to improve the quality of life of related communities.

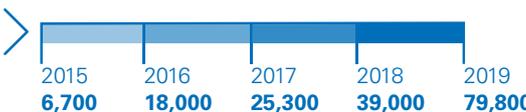
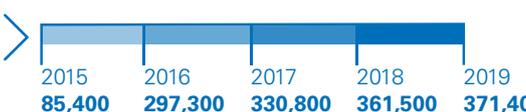
### Long-term plan with resettled families

In 2019, several long-term management plans were agreed upon with the El Barco and Ayn Mapy communities, programming initiatives focused on socio-economic development to improve the quality of life of related communities.

2019	Area	Projects	Beneficiaries
	 4 QUALITY EDUCATION	9	4,124
	 7 AFFORDABLE AND CLEAN ENERGY	2	504
	 8 DECENT WORK AND ECONOMIC GROW	48	5,880
	 11 SUSTAINABLE CITIES AND COMMUNITIES	2	84

# Enel Chile's progress regarding its commitments to SDG 4, 7 and 8

SDG	Indicator	Annual beneficiaries												
 <b>Quality education</b>	<b>Number of beneficiaries</b>	 <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr> <tr><th>Beneficiaries</th><td>6,700</td><td>11,300</td><td>7,300</td><td>13,700</td><td>40,800</td></tr> </table>	Year	2015	2016	2017	2018	2019	Beneficiaries	6,700	11,300	7,300	13,700	40,800
Year	2015	2016	2017	2018	2019									
Beneficiaries	6,700	11,300	7,300	13,700	40,800									
 <b>Affordable and clean energy</b>	<b>Number of beneficiaries</b>	 <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr> <tr><th>Beneficiaries</th><td>100,000</td><td>5,000</td><td>36,100</td><td>29,000</td><td>28,800</td></tr> </table>	Year	2015	2016	2017	2018	2019	Beneficiaries	100,000	5,000	36,100	29,000	28,800
Year	2015	2016	2017	2018	2019									
Beneficiaries	100,000	5,000	36,100	29,000	28,800									
 <b>Decent work and economic growth</b>	<b>Number of beneficiaries</b>	 <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr> <tr><th>Beneficiaries</th><td>85,400</td><td>211,900</td><td>33,500</td><td>30,700</td><td>9,900</td></tr> </table>	Year	2015	2016	2017	2018	2019	Beneficiaries	85,400	211,900	33,500	30,700	9,900
Year	2015	2016	2017	2018	2019									
Beneficiaries	85,400	211,900	33,500	30,700	9,900									

SDG	Indicator	Accumulated beneficiaries	Goal 2022												
 <b>Quality education</b>	<b>Number of beneficiaries</b>	 <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr> <tr><th>Beneficiaries</th><td>6,700</td><td>18,000</td><td>25,300</td><td>39,000</td><td>79,800</td></tr> </table>	Year	2015	2016	2017	2018	2019	Beneficiaries	6,700	18,000	25,300	39,000	79,800	 <b>139,000</b>
Year	2015	2016	2017	2018	2019										
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Year	2015	2016	2017	2018	2019										
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 <b>Decent work and economic growth</b>	<b>Number of beneficiaries</b>	 <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr> <tr><th>Beneficiaries</th><td>85,400</td><td>297,300</td><td>330,800</td><td>361,500</td><td>371,400</td></tr> </table>	Year	2015	2016	2017	2018	2019	Beneficiaries	85,400	297,300	330,800	361,500	371,400	 <b>447,000</b>
Year	2015	2016	2017	2018	2019										
Beneficiaries	85,400	297,300	330,800	361,500	371,400										

Results	
Activity/Goal	2019 Results
Strengthen strategic alliances and foster operational alliances.	Alliances with NGOs, the civil society and local authorities NGOs <ul style="list-style-type: none"> <li>• Asociación Sembrar.</li> <li>• Fundación Techo.</li> <li>• Fundación Casa de la Paz.</li> <li>• Fundación Rondó.</li> <li>• Fundación Procultura.</li> <li>• Among others</li> </ul> Academia <ul style="list-style-type: none"> <li>• Universidad de Talca (CITRA).</li> <li>• Universidad de Concepción.</li> <li>• Universidad Técnica Federico Santa María.</li> <li>• Municipalities in areas of influence.</li> </ul>
Implementing new projects to create shared value with communities.	<b>237</b> projects in 2019.
Broadcasting the shared value model throughout the value chain and life cycle of projects.	Continuous Implementation of Policy 211

# Engaging People

## The value of our people

People are Enel Chile's most important asset. Their work and commitment allow the Company to achieve its goals. The people from all Enel Chile companies are key to the sustainability of our business and long-term value creation within the current industry scenario, facing the energy transition and its challenges. People are a fundamental pillar of Enel Chile's strategy.

Enel Chile's strategy from the Peoples perspective begins with respect for basic principles and nondiscrimination. The Company promotes equal opportunities and inclusion on a permanent basis, including gender diversity, religion and nationality. The Company strives for a work environment that fosters the development of its people and enabling them to balance work life with personal life. Working in a positive environment, built on shared aspirations improves peoples' quality of life and the Company's performance and results.



# Enel Chile's people

Enel Chile and subsidiaries have a total 2,148 people, 22% are women and 78% are men.

Category	Enel Chile <sup>30</sup>			Enel Distribución Chile			Enel Generación Chile			Country Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Executives/senior management	20	21	7	8	16	7	13	20	11	41	57	25
Professionals and technicians	370	549	648	616	622	705	806	660	616	1,792	1,831	1969
Employees and others	41	44	40	45	43	31	29	87	83	115	174	154
<b>Total</b>	<b>431</b>	<b>614</b>	<b>695</b>	<b>669</b>	<b>681</b>	<b>743</b>	<b>848</b>	<b>767</b>	<b>710</b>	<b>1,948</b>	<b>2,062</b>	<b>2,148</b>

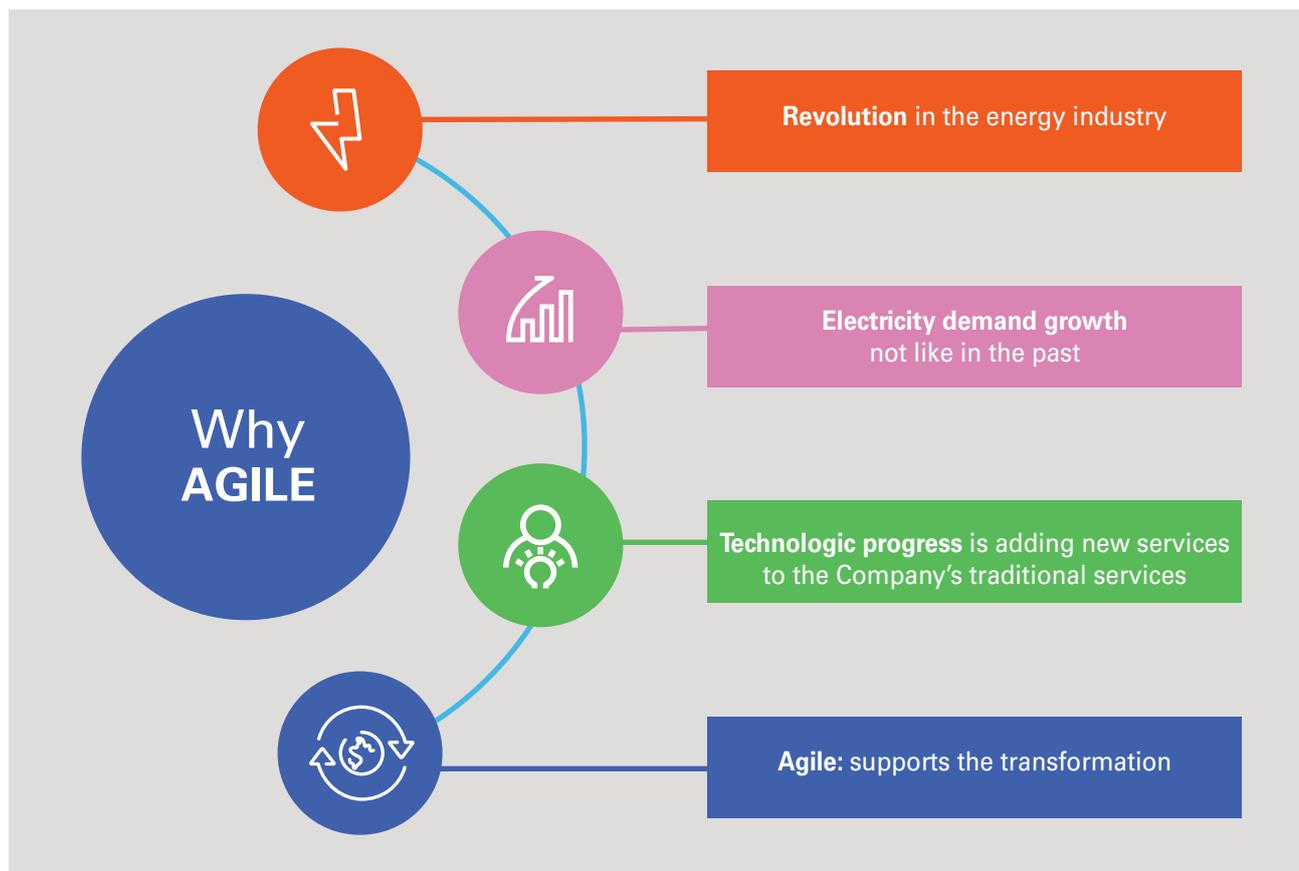
Women executives represent 20% of Enel Chile and subsidiaries total executives. A total 16% of executives that generate revenue are also women.



<sup>30</sup> Includes Enel Green Power and Enel X

# Agile Methodology

The Enel Group adopted the Agile Methodology<sup>31</sup> to face the challenges of people management in times of change. It is a collaborative method based on flexibility and openness and makes adapting solutions, processes, and systems to new requirements an easier task.



Enel Chile continued implementing the Agile methodology by applying a change management plan based on three pillars: Enel Chile continued implementing the Agile methodology by applying a change management plan based on three pillars:

Pillar	Milestone
Communications	The Agile Week took place in May to increase Enel Generación Chile employees' awareness on What and Why regarding Agile In addition to disseminating videos and playbooks, activities related to Agile Room, workshops and Agile training were communicated during the year.
Knowledge	To increase knowledge on Agile, the following took place during the year: <ul style="list-style-type: none"> <li>• 5 Agile training courses</li> <li>• 6 Agile workshops</li> <li>• 3 Scrum Master training courses</li> <li>• 1 Agile coach training course</li> <li>• Jira and Confluence Platform training program</li> <li>• 1 Digital leadership &amp; Data driven course</li> </ul>
Skill development	To put Agile knowledge to work the following took place: <ul style="list-style-type: none"> <li>• 6 Agile Room sessions</li> <li>• <i>Open feedback adoption to promote an Agile mindset</i></li> </ul>

<sup>31</sup> The Agile Methodology is implemented with small cross-sectional teams that develop iterations on a regular basis directly involving the customer from the initial development stage. The model combines a rigorous methodology with common principles and tools, allowing to develop products that can adjust to constantly changing customer needs and context from the design to the commercialization stage.

# The value of people diversity

## Respect for diversity and nondiscrimination

103-2 103-3

Relying on people with different characteristics and backgrounds (cultural, sexual, functional, among others) has a positive impact on Enel Chile's organizational culture and promotes innovation and openness within the Company.

In this regard, Enel Chile believes that respect, nondiscrimination, equal opportunities and inclusion are fundamental values when carrying out its business. Diversity and nondiscrimination principles are governed by the Enel Group Diversity and Inclusion Policy. A series of KPI are defined to monitor and constantly improve the Company's performance in terms of inclusion.

The Company's strategy includes a series of gender, age, nationality, disability, and cross-sectional practices determined by the **Diversity and Inclusion Policy**. This policy promotes nondiscrimination, equal opportunities, inclusion and work-life balance as core values of Group Companies' operations.

The Policy<sup>32</sup> establishes three main principles:

1. Reject any and all forms of arbitrary discrimination and ensure and promote diversity, inclusion, and equal opportunities.
2. Promote and maintain an environment of respect for people's dignity, honor, and identity.
3. Ensure the highest confidentiality standards regarding any information the Company has access to about a worker's private life.

32 <https://www.enel.cl/en/investors/investor-enel-chile/corporate-governance/diversity-policy.html>



## Inclusion of people with disabilities or at risk of social exclusion

Enel Chile has been part of Sofofa's Inclusive Companies Network, ReIN (in its Spanish acronym) since 2018, a group of 40 companies interested in hiring people with disabilities, not for their disabilities but for their capabilities. The Company is also involved in two shared value agreements with the educational institution DUOC and the Telethon foundation to strengthen employees' and contractors' development through training, inclusion, research and innovation contests.

The Company created the Multidisciplinary Diversity and Inclusion Committee in 2019, and continued working to comply with the respective regulation currently in place.

Company	People with disabilities
Enel Chile	3
Enel Generación Chile	5
Enel Distribución Chile	6
Enel Green Power	1
<b>Total</b>	<b>15</b>

33 ReIN was created in 2015 as part of an alliance between SOFOFA and the International Labor Organization (ILO). ReIN promotes and calls for responsible labor inclusion of people with disabilities.

## The value of age diversity

The focus of the Company in terms of employee age diversity is its importance in transferring knowledge. More experienced employees may train co-workers, transferring the know-how they have developed over the years to younger people that have new views and knowledge, which contributes to build and enrich the workplace.

Employees per age range	Enel Chile			Enel Distribución Chile			Enel Generación Chile			Country Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Under 30	10	38	33	58	62	84	48	40	24	116	151	141
Between 31 and 40	174	240	291	176	176	206	295	242	217	645	647	714
Between 41 and 50	155	207	227	165	161	168	288	282	260	608	650	655
Between 51 and 60	87	116	130	210	209	207	160	156	158	457	481	495
Over 61	5	13	14	60	73	78	57	47	51	122	133	143
<b>Total</b>	<b>431</b>	<b>614</b>	<b>695</b>	<b>669</b>	<b>681</b>	<b>743</b>	<b>848</b>	<b>767</b>	<b>710</b>	<b>1,948</b>	<b>2,062</b>	<b>2,148</b>

## The importance of cultural diversity

The Company appreciates the different perspectives of its people and therefore offers a tutoring program for expatriates seeking to contribute to the cultural inclusion of people from other countries that come to work for Enel Chile and its subsidiaries. Integration activities are also carried out, such as, informal meetings providing typical dishes from the employees' home country.

## The importance of gender diversity



The role of women in society has radically changed over the last decades and today women's contribution to the workplace is undeniable.

Enel Chile has fostered a cultural change within its subsidiaries, creating incentives to hire women, when the percent of women in industries such as the energy sector, is historically low. As a result of this company effort, currently 22% of the Group's workforce are women.

Employees per gender	Enel Chile <sup>35</sup>			Enel Distribución Chile			Enel Generación Chile			Country Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Men	60%	65%	66%	81%	79%	78%	87%	88%	88%	79%	78%	78%
Women	40%	35%	34%	19%	21%	22%	13%	12%	12%	21%	22%	22%
<b>Total</b>	<b>431</b>	<b>614</b>	<b>695</b>	<b>669</b>	<b>681</b>	<b>743</b>	<b>848</b>	<b>767</b>	<b>710</b>	<b>1,948</b>	<b>2,062</b>	<b>2,148</b>

34 Includes Enel Green Power and Enel X

35 Includes Enel Green Power and Enel X

Enel Chile has launched several initiatives related to training, recruitment and work-life balance to foster greater labor market access for women in the industry and in the Company.

The Company has reached agreements with schools, universities and technical educational institutions to promote the participation of women in STEM<sup>36</sup> careers, which have been traditionally attended by men. In 2019, two workshops were offered at a mixed-gender school in the Metropolitan Region in which Enel Chile participated with a climatization project related to the operations and benefits of air conditioning, namely the importance of having comfortable temperature when learning.

Regarding the recruitment and selection process, the company seeks a balance between men and women candidates. Therefore, the Company has established goals in terms of the number of women participants. In 2019, 32% of the candidates in the short list of the selection process were women.

Company	Candidates	Women	% Women
Enel Chile (including EGP and Enel X)	184	71	39%
Enel Distribución Chile	189	51	27%
Enel Generación Chile	21	5	24%
<b>Country Total</b>	<b>394</b>	<b>127</b>	<b>32%</b>

The Company also has programs to help employees balance professional life with parenthood. These programs are geared to balance the need of individuals as parents with their need for professional development.

Enel Chile promotes courses and workshops on awareness of diversity values and conduct, inclusion, and labor flexibility. Within this context, the Company organized the Diversity and Inclusion Week that presented four interesting talks, "Disability Inclusion in the Workforce", "Gender Equality", "Sexual Harassment", and "Workplace Harassment".

## Climate survey

Enel Chile carries out a climate survey every two years, the last time in 2018. The survey was performed online and on paper. According to the results of the 2018 survey, employee coverage reached 96%\* and 86.3% of employees are actively engaged, which is a favorable outcome when compared to 89% coverage and 71% engagement in 2016.

<sup>36</sup> Science, Technology, Engineering and Mathematics

\* The difference in the Coverage percent of the Climate Survey informed in the 2018 Report (94.4%) compared to the figure informed in this Report is due to the responses received on paper that were not included in last year's report.

## Work-life balance

Strategic goals may only be achieved with the commitment, motivation and satisfaction of Enel's people. Sharing goals, solid values, and enjoying and learning from professional challenges exerts a positive impact on workplace climate and performance. Therefore, wellbeing of Enel Chile's people is considered a critical success factor and has led to the implementation of a series of programs and benefits that enable them to balance their family life with their professional life.

### Smart Working

The Smart Working or remote working program grants employees the possibility to select one day a week to work remotely from home or any physical space that allows good internet connectivity and complies with the Company's safety norms. In 2019, the number of Enel Group employees participating in the program increased to 481 people.

Company	2017	2018	2019
Enel Green Power	-	64	74
Enel Generación Chile	107	80	112
Enel Chile	82	148	200
Enel Distribución Chile	37	58	95
<b>Total</b>	<b>226</b>	<b>350</b>	<b>481</b>

This initiative allowed lowering CO<sub>2</sub> emissions due to reduced transportation and building Company resilience during a crisis such as the Coronavirus pandemic (COVID-19).

### Making the Most of your Time

Enel Chile offers its people the possibility to leave work early the day before a holiday and/or come in late the day after a holiday. This permission to either leave work early or come in later is limited to four hours and must be recovered in agreement with the employee's supervisor.

### Flexible working hours

The Company offers its employees flexible working hours. They may begin their working day up to 45 minutes earlier than the official time and may leave the same 45 minutes earlier. People may also choose to begin up to 30 minutes later and leave the same number of minutes later. All employees subject to a daily working schedule are eligible.

Other initiatives include:

## First day of Class

The Company offers all employees that are parents of school-aged children to join their kids during their first day of school and arrive to work up to two hours later.

## Mother's Day and Father's Day

This initiative allows mothers and fathers to leave early on their day.

## Quality of Life

The Company promotes initiatives that improve the quality of life of its people as it believes that physical and emotional wellbeing is critical to their performance at the workplace. Enel Chile offers its people a series of benefits, some are made extensive to their family members.

## Entertainment programs

The following initiatives were carried out within the scope of entertainment:

- **Artistic and cultural workshops:** literary workshops, painting, photography, singing, make-up, Latin dance, searching for laughs, sculpture, and reiki workshops.
- **Family excursions:** different excursions are offered every month for employees and their families.
- **Come to my birthday party:** the birthdays of employees' children up to age 12 are celebrated once a month.
- **Camps:** summer and winter vacation camps for employees' children between 4 and 15 years of age.
- **EnelClub:** is a platform that includes all entertainment, sports, health, cultural and other benefits offered by the Company to its people.

Number of participants per company:

Company	Participants
Enel Chile	411
Enel Distribución Chile	752
Enel Generación Chile	165
Enel Green Power	95
<b>Total</b>	<b>1,423</b>

## Sports activities

Several sports activities took place in 2019, including: Physical fitness, ladies small-sided soccer, men's recreational small-sided soccer, mixed gender recreational small-sided soccer, basketball, body combat, GAP, karate, Pilates, yoga, weights room, spinning, table tennis, and volleyball.

Total participants per company:

Company	Participants
Enel Chile	1,055
Enel Distribución Chile	2,073
Enel Generación Chile	611
Enel Green Power	361
<b>Total*</b>	<b>4,100</b>

The following chart summarizes the main wellness, labor flexibility and work-life balance initiatives offered to Enel Chile people:



\* The number of participants exceeds the total number of the Group's population because each person could have participated in more than one activity.

# Workforce training

Enel Chile offers its employees a series of training initiatives to provide them with the necessary skills to perform their daily activities, which also contributes to their career development and mobility within the organization.

In 2019, the focus of training programs was placed on digital transformation, the development of leadership skills and cultural change. All Enel Chile employees received training in 2019.

Training Hours per Gender		Total Hours	Average Hours
Enel Chile	Men	14,920	32
	Women	5,082	22
	<b>Total</b>	<b>20,002</b>	<b>29</b>
Enel Generación Chile	Men	14,156	23
	Women	2,556	29
	<b>Total</b>	<b>16,712</b>	<b>24</b>
Enel Distribución Chile	Men	8,902	15
	Women	2,895	18
	<b>Total</b>	<b>11,797</b>	<b>16</b>
<b>Total País</b>	<b>Men</b>	<b>37,978</b>	<b>23</b>
	<b>Women</b>	<b>10,534</b>	<b>22</b>
	<b>Total</b>	<b>48,511</b>	<b>23</b>



# Digital tools programs

In 2019, the Company offered a series of training programs and courses related to technology, cutting edge software and applications to promote the use of various digital tools that contribute to efficiency and make employees' daily activities easier. We highlight the following:

Program	Description	Audience
Jira and Confluence	This course offers the know-how to operate the Jira and Confluence platforms allowing to organize the work of Agile teams.	People that work on Agile initiatives/projects.
Agile	This course offers basic tools and concepts of Agile, what is Agile? why is it being used at Enel?	People that want to understand it and understand how to apply it to their teams' work.
Scrum master	This course offers the basic tools and concepts of the Scrum Master Role, which makes organizing the work of agile teams easier	People that are new to the Scrum Master Role, want to understand it better and implement it in their Agile teams.
Digital transformation diploma	The goal of this diploma is to provide participants with the theory and practical tools they need to carry out a digital transformation project in their department, following the Company's respective guidelines.	Managers and professionals from the different business lines of the Company.
Leadership in data driven transformation	The goal is to provide participants with the tools they need to lead digital transformation projects based on the Company's guidelines and identify best practices of global companies that are going through the digital transformation process.	Leaders of Enel Chile's different business lines.
Operations and maintenance of Hydro power plants	This program provides workers the tools they need to perform the tasks of the operations and maintenance job position of hydroelectric power plants, a program defined in the Company's new maintenance plan.	Hydroelectric power plant professionals and technicians.
e-education digital work diffusion	This program provides the tools needed to apply digital knowledge to different jobs.	All Company professionals.
Business intelligence, big data and data analytics	It ends the training program providing participants with the knowledge to use business intelligence tools, analyze and work with large data bases to make strategic business decisions.	Professionals that make decisions and manage large data bases.
Procurement School	This course allows participants to manage and improve their own business unit's processes.	Procurement department professionals.

# Development and motivation

103-2 103-3

Enel Chile approaches people management with innovative and transversal practices. The main pillars regarding employee development are internal mobility and promotion, talent identification, detection of training needs, team development and leadership development.

The Company sees professional mobility as a means to face the challenges of the present scenario because it helps people change their perspective and adopt a new way of thinking that adds resilience, flexibility, collaboration and trust. The Osmosis program was launched to offer employees the possibility to move to another professional or geographic area. In 2019, Enel Chile's goal was to have 40 mobile employees, at least 12 under the age of 35.

The identification of key people and the talent cluster is another pillar of Enel Chile's people management approach. Specific development plans, including training and coaching are defined for them to reach their maximum potential.

Enel Chile is constantly monitoring to detect both technical and soft skills required for professional development and team excellence. The "Leader to Coach" and "Teambuilding" are specific programs geared towards leadership and team development. These programs seek to provide teams with the necessary competences to successfully address the Company's challenges.

The "Leader to Coach" program has been designed to strengthen leadership and the role of the manager in the open power culture. Leaders must be active and strategic and focus on team motivation and learning. It is a comprehensive training program that builds an individual itinerary for each participant. The program includes the following activities: 360o assessment, skill training workshops, and the creation of a network of best practices in people management.

## 404-3 Performance and skill assessment

The instances for manager and employee feedback are opportunities for them to build a closer and more transparent relationship, to align expectations and for the manager to contribute to the employee's professional development. Open Feedback<sup>37</sup> promotes continuous feedback throughout the Company year-round. It shapes employees' development and also the formation of high-performance work teams. The Company's performance assessment system is based on the Open Power philosophy. It is an online platform in which any employee may provide feedback to his or her co-workers, teams and managers highlighting positive features of performance and identifying opportunities for improvement.

In 2019, this model was used to evaluate all employees that complied with the eligibility criteria, which represented 92% of total Enel Chile's population. Additionally, a goal achievement appraisal was performed based on the Company's Goals Matrix. This assessment measures the contribution made by each person to the achievement of the Group's global goals. The number of people evaluated per company is shown below.

### Enel Chile (includes EGP and Enel X):

People evaluated	2017 <sup>38</sup>	2018	2019
Total No evaluated	S/I	200	617
% evaluated	S/I	12,4% <sup>39</sup>	89%

Also, 88% of people were evaluated based on goal achievement.

### Enel Distribución Chile:

People evaluated	2017 <sup>40</sup>	2018	2019
Total No evaluated	S/I	S/I	687
% evaluated	S/I	S/I	92%

Also, 63% of people were evaluated based on goal achievement.

<sup>37</sup> Certain requirements or conditions must be satisfied for an employee to participate in the assessment, for instance: years of service criteria. A certain amount of time is necessary for a manager to perform an assessment based on observation for it to be useful for an employee's professional development. In this regard, an employee that has been recently hired would not be "eligible" for this process. Other similar cases (being transferred, having a new manager, pre and post-natal leave, extended medical leave, leave without pay, etc.) are reviewed on a case by case basis to determine if the employee is "eligible" or "Not eligible" to participate in the Open Feedback Evaluation.

<sup>38</sup> Open Feedback had not been implemented by 2017.

<sup>39</sup> The Open Feedback Evaluation was implemented as a pilot in 2018, which explains why the percent evaluated was low that year (12.4%). Most employees were evaluated using Performance Appraisal in 2018.

<sup>40</sup> Open Feedback had not been implemented by 2017.

## Enel Generación Chile:

People evaluated	2017 <sup>41</sup>	2018	2019
Total No evaluated	S/I	S/I	675
% evaluated	S/I	S/I	95%

Also, 98% of people were evaluated based on goal achievement.

### 401-1 Career development plan

Based on the results of the performance assessment, people may choose to stay in the Company and develop their professional career through promotion and mobility opportunities.

Turnover and mobility	2017	2018	2019
People hired during the year	136	125	214
Employee turnover rate	6.86%	6.01%	6.7%
% internal mobility	3.24%	3.00%	4.3%

## Recognition and meritocracy

Enel Chile considers meritocracy to be a career development path within its subsidiaries. Therefore, the Company has a best practices recognition program designed to constantly recognize its employees' contributions.

The *Reconocernos* Program continued in 2019 just like the year before. It is a program in which employees from Enel Chile, Enel Generación Chile, Enel Distribución Chile and subsidiaries acknowledge and promote the practices, initiatives, projects and conduct that create value for the Company. The program is divided into two categories:

**TeamWorker:** Acknowledges the outstanding teams regarding project implementation. The assessment considers aspects such as, transversal participation, excellent results, collaboration, innovation, etc. Teams are evaluated at an initial stage by business line managers and staff in coordination with business partners. Then, in a second stage, the Chile Committee chaired by the Country manager selects the winners.

41 Open Feedback had not been implemented by 2017.

**Attitudes:** Acknowledges the outstanding co-workers for being exemplary in one of the following three categories: OPEN category, SOLUTIONER category, E-INNOVATOR category. Each employee may nominate three co-workers that, based on the employee's experience, represent one of the categories (voting for one per category). When the voting cycle ends, the co-worker with the highest number of votes in each category is recognized.

A total 63 employees were acknowledged in the Attitudes Recognition Category (21 in OPEN category, 21 in SOLUTIONER category, 21 in E-INNOVATION category) and 48 teams were nominated in the Teamwork Recognition Category, involving a total 242 participants, 45% more than in 2018 (33 teamwork nominated in 2018).

## Respect for Enel People's rights

### Freedom of association and collective bargaining

102-41

The employees of Enel Chile and subsidiaries have the right to associate collectively and be part of any of the 16 existing unions. In 2019, the Company did not experience any conflict with unions, no new unions were formed, and none dissolved.

Company	Number of unions
Enel Chile	3
Enel Generación Chile	5
Enel Distribución Chile	5
Empresa Eléctrica Colina	1
Empresa Eléctrica Panguipulli	1
Enel Green Power	1
<b>Total</b>	<b>16</b>

	Enel Chile			Enel Distribución Chile			Enel Generación Chile			Country total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Unionized employees</b>												
% unionized employees	72%	68%	62%	86%	87%	83%	73%	77%	77%	77%	78%	74%
N° of unionized employees	311	420	428	577	595	617	616	590	544	1,504	1,605	1,589

## Fair and favorable working conditions

The fair and favorable working conditions established by the Company for its employees in collective contracts are in line with current regulation.

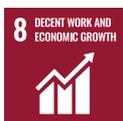
These contracts arise from collective bargaining processes between the Company and its unions. They are part of the legal framework that governs the management of employee working conditions.

Collective bargaining is validated by both parties, Enel Chile Group companies and their employees. It facilitates collaboration in seeking for fair and favorable working conditions and exerts a positive social impact on the Company.

A high percentage of the workforce of Enel Chile and subsidiaries is unionized, which is proof of the Company's best practices regarding freedom of association and fair compensation.

## Against forced labor and child labor

Enel Chile and subsidiaries are governed by the Enel Group Human Rights Policy that is against all forms of forced labor and child labor and make this extensive to all contractors. The Company's contractors must submit to a series of good labor practice assessments, including respect for Human Rights, to be authorized to provide goods or services to the Company.



## Just Transition

The speed of the energy transition makes it crucial to ensure that no one is left behind, and that it is being implemented in a just manner. Just Transition refers to ensuring the rights and wellbeing of employees when countries adopt sustainable growth models. Within the context of the energy industry, the decarbonization process threatens the income of a significant number of employees. Therefore, the process must be accompanied by employee training for them to develop new skills. Renewable energy and new energy services are opportunities for labor reconversion and also attract new talent.

Enel Chile, through its subsidiaries Enel Green Power (EGP) and Enel X Chile, has provided employment opportunities in the energy industry, in line with its commitment with the Just Transition and SGD 8 related to decent work and economic growth. Over the last three years, (2017 - 2019), EGP has recruited 105 people to work in renewable energy of which 69 were recruited from the external labor market and 36 from other areas within the Company. Similarly, Enel X Chile has recruited 46 people to work on the development of new energy solutions, from electric mobility to energy efficiency, of which 37 come from outside the Group and nine from within other Group companies.

## Tarapacá power plant retirement

In 2019, we worked on phasing out the coal-fired power units of Enel Generación Chile's Central Tarapacá power plant. The process, among other things, focused on relocating 50 employees that worked at Central Tarapacá. A responsible plan was designed, placing people at the center of the process and keeping in mind that a group would want to stay with the Company and another group would decide to leave the Company for not wanting to leave the region or for other reasons.

After informing people that no one would be dismissed due to the retirement of the power plant, one on one interviews were carried out with Tarapacá's 50 employees to assess their relocation interests, and their current personal and family situation. The Company, along with the unions, began the process of designing a voluntary resignation plan for the group that was not willing to stay in the Company, which concluded in September. At the same time, the different areas of the Company made presentations on opportunities in other business lines so that those interested in staying with the Company had more information. During the first nine months of 2019, the relocation process focused on encouraging employees to apply to internal job offers.

In October, the Company made a formal job relocation offer to each employee, indicating the specific position, work location, compensation, relocation date, and the opportunity to travel to the site to see the workplace, search for housing, and schools if necessary. Therefore, the Central Tarapacá plant employees had a chance to analyze the job relocation offer and the voluntary resignation plan.

Central Tarapacá was to close on December 31, and therefore the transfer plans of employees relocating had to be ready by then and the documents for those leaving the Company should also be ready by that date. A total 26 employees were relocated to perform new activities within the thermal generation business line, nine were relocated to the renewable energy business line (two to wind, two to solar, two to geo, one to engineering and construction, one to business development, and one to technical support), two went to the trading department, one to the infrastructure and network department, and 12 decided to accept the voluntary resignation plan offer that included economic terms, training and health insurance.

Worth mentioning is that those who chose to leave the Company were offered the opportunity to take a diploma course or any other training program. By yearend, five people were registered in different educational institutions to take advantage of this benefit.

405-1 405-2

## Compensation

The average fixed salary of women when compared to men, within each professional category is the following:

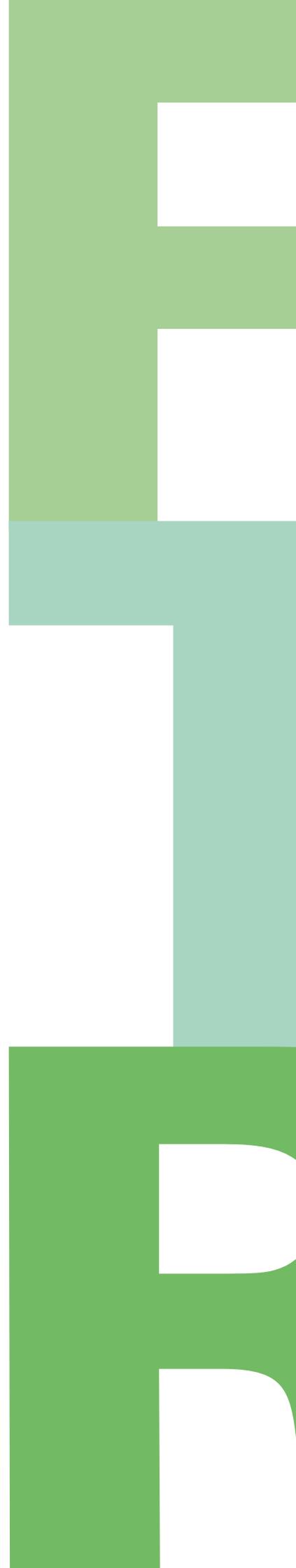
Executive level	90%
Management level	97%
Non-management level	90%

Activity/goal	2019 Result
<b>100% performance assessment engagement</b>	<b>100% engaged</b>
Gender equality - <b>50%</b> in selection process are women.	<b>32%</b> of shortlist are women (31% in 2018).
<b>3</b> Focal points for disabled employees.	<b>3</b> Focal points.
<b>390</b> people in Smart working.	<b>481</b> people (22% of workforce v/s 16% in 2018).





### 3. PILLARS OF A SUSTAINABLE BUSINESS





# Governance

102-18

## Governance structure

Enel Chile's most important long-term objective is to create sustainable value for all stakeholders. Sustainability topics include climate change, atmospheric emissions, water management, biodiversity, circular economy, health and safety, diversity, personnel management and development, customer and community relations, value chain, ethical behavior and human rights. Enel Chile created a governance structure based on international best practices that involves the entire organization, the decision-making process and operational practices throughout the Company's entire value chain.

The corporate governance structure adopted by Enel Chile considers the impact of the Company's operations and the need to provide benefits for all stakeholders as a means to create medium- and long-term value. Therefore, activities and responsibilities are clearly defined and allow the Company to manage its most relevant risks and opportunities effectively.

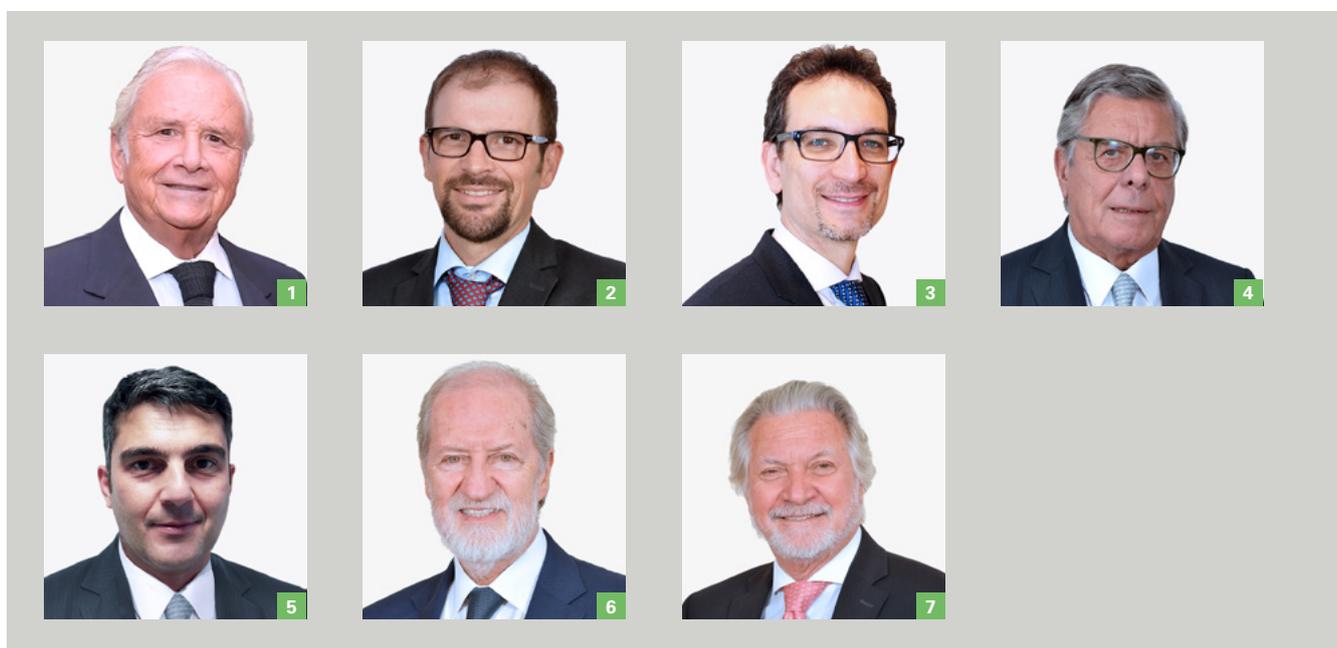
102-24

## Board of Directors

The Board of Directors is the highest corporate governance body of the Company. It is comprised of seven professional, electricity industry experts that have previously held board positions or executive positions in the energy sector. The members of the Board are elected by the Shareholders meeting for a three-year period and may be reelected. The Board is responsible for defining the Company's roadmap, defining and approving the Company's mission, corporate values, conduct code, policies, business strategy and risk management. The Board of Directors agreed that minimum board member attendance, either in person or virtually, must be an average 75% for both ordinary and extraordinary meetings. The average attendance in 2019 was 87%.

In the event of death, resignation, bankruptcy, incompatibilities or limitations or other impossibility preventing directors from performing their duties or force them to cease them, the Board must be totally renewed at the next ordinary shareholders' meeting, and the Board may appoint a substitute in the interim.

An outside, independent expert analyzes and evaluates the Board's performance on a yearly basis to detect any opportunities for improvement.



### 1. CHAIRMAN

**Herman Chadwick P.**

Lawyer

Pontificia Universidad Católica de Chile

Taxpayer ID: 4,975,992-4

Since 04.25.2018\*

\*initially appointed on 04/28/2016

### 2. DIRECTOR

**Giulio Fazio**

Graduate of Legal and Social Sciences

Universidad de los Estudios de Palermo

Passport: YA 4656507

Since 04.25.2018\*

\*initially appointed on 04/28/2016

### 3. DIRECTOR

**Salvatore Bernabei**

Industrial Engineer

Università degli Studi di Roma "Tor Vergata"

Master's in business administration

Politécnica di Milano

Taxpayer ID:24,220,743-2

Since 04.25.2018\*

\*initially appointed on 04/28/2016

### 4. DIRECTOR, independent

**Fernán Gazmuri P.**

Commercial Engineer

Pontificia Universidad Católica de Chile

Taxpayer ID: 4,461,192-9

Since 04.25.2018\*

\*initially appointed on 04/28/2016

### 5. DIRECTOR

**Daniele Caprini**

Graduate of Economics

Università degli Studi di Siena

Master's in business administration

Universidad de LUISS-Rome

Passport: YA9188092

Since 04.25.2018\*

\*initially appointed on 03/01/2018

### 6. DIRECTOR, independiente

**Gerardo Jofré M.**

Commercial Engineer

Pontificia Universidad Católica de Chile

Taxpayer ID: 5,672,444-3

Since 04.25.2018\*

\*initially appointed on 04/28/2016

### 7. DIRECTOR, independiente

**Pablo Cabrera G.**

Lawyer and Diplomat

Pontificia Universidad Católica de Chile

Academia Diplomática Andrés Bello

Taxpayer ID: 4,774,797-K

Since 04.25.2018\*

\*initially appointed on 04/28/2016

## Diversity in the Board of Directors

Number of people by gender:	
Female	0
Male	7
<b>Total</b>	<b>7</b>

Number of people by nationality:	
Chilean	4
Italian	3
<b>Total</b>	<b>7</b>

Number of people by age group:	
Between 41 and 50	3
Between 51 and 60	0
Between 61 and 70	0
More than 70	4
<b>Total</b>	<b>7</b>

Number of people by years of service:	
Less than 3 years	2
From 3 to 12 years	5
Over 12 years	0
<b>Total</b>	<b>7</b>

Over the past two years the following individual was also a director of Enel Chile:

Vincenzo Ranieri  
 Graduate of Business Administration  
 Universidad de LUISS- Rome  
 Passport: YA 7616919  
 From 04.28.2016  
 Until: 02.28.2018

<https://www.enel.cl/en/meet-enel/board-of-directors-enel-chile.html>

### INFORMATION FOR DIRECTORS AND SHAREHOLDERS

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#### New Board Member Induction Process

The induction process involves meeting with the Chairman of the Board and the senior managers of the Company to be informed on the mission, vision, and strategic goals of Enel Chile. Each new board member is given a copy of the Human Resources Policy, Sustainability Reports, Ethics Code, Zero Tolerance with Corruption Plan and the Diversity Policy.

#### Ongoing Training Process

This process is for the members of the Board of Directors and covers regulatory and organizational changes and other relevant events. It provides the tools to strengthen the necessary competences for the Board to perform and achieve its objectives. The training program for board members is available on the Company website [www.enelchile.cl](http://www.enelchile.cl).

#### Information for shareholders:

The Board of Directors sets the timing and the information about the candidates to the Board to be disclosed to shareholders, such as, profile and professional experience, among other relevant information.

# C

CHAIRMAN

**Herman Chadwick Piñera**

Graduate of Legal and Social Sciences  
Pontificia Universidad Católica de Chile  
Lawyer

Taxpayer ID: 4,975,992-4

Since 04.25.2018

# D

DIRECTORS

**Giulio Fazio**

Graduate of Legal and Social Sciences  
Universidad de los Estudios de Palermo  
Lawyer

Passport: YA 4656507

Since 04.25.2018

**Salvatore Bernabei**

Industrial Engineer  
Università degli Studi di Roma "Tor Vergata"  
Master's Degree in Business Administration  
Politécnica di Milano

Passport: YB 0600187

Since 04.25.2018

**Fernán Gazmuri Plaza**

Commercial Engineer  
Pontificia Universidad Católica de Chile

Taxpayer ID: 4,461,192-9

Since 04.25.2018

**Daniele Caprini**

Graduate of Economics  
Università degli Studi di Siena  
Universidad de LUISS-Rome

Passport: YA9188092

Since 04.25.2018

**Gerardo Jofré Miranda**

Commercial Engineer  
Pontificia Universidad Católica de Chile

Taxpayer ID: 5,672,444-3

Since 04.25.2018

**Pablo Cabrera Gaete**

Graduate of Legal and Social Sciences  
Pontificia Universidad Católica de Chile  
Diplomat

Academia Diplomática Andrés Bello

Taxpayer ID: 4,774,797-K

Since 04.25.2018

Over the past two years the following individual was also a director of Enel Chile:

**Vincenzo Ranieri**

Graduate of Business Administration  
Universidad de LUISS- Rome

Passport: YA 7616919

From 04.28.2016

Until: 02.28.2018

# Enel Chile Board - Management relationship

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The Board of Directors is responsible for appointing the Chief Executive Officer and senior managers of the Company. Although it is also the body responsible for economic, environmental, and social decisions that involve the Company, it may delegate some powers to the CEO. Therefore, Enel Chile has a power structure that establishes protocols for the competences required for different subjects, which is validated by the Board.

The Board holds monthly meetings to monitor the performance of the Company based on information provided by the CEO and his management team regarding the business, community relations, environment, human rights, diversity, employees, health, safety, cybersecurity, among other subjects. The Board also analyzes one, previously selected, significant risk every meeting according to a specific calendar until completing the yearly review of the Company's risk map that includes business, processes, and sustainability issues.

Sustainability management issues are informed by the Sustainability and Community Relations Officer. Management's performance regarding stakeholder relations is informed by other departments, such as, the Institutional Relations Office, Investor Relations, Communications, among others.

The Board also monitors and supervises the Compliance Program, the performance of the Criminal Risk Prevention Model, the Ethical Channel, and process risks. The Internal Audit department reports to the Board at least once every quarter.

# C

Chairman  
**Herman Chadwick Piñera**

# CEO

Chief Executive Officer(\*)  
**Paolo Pallotti**

# M

MANAGEMENT

Administration, Finance and Control Officer (\*)  
**Giuseppe Turchiarelli<sup>(1)</sup>**

Audit Officer(\*)  
**Raffaele Cutrignelli<sup>(2)</sup>**

Communications Chile Officer  
**Claudio Vera Acuña**

People and Organization Officer(\*)  
**Liliana Schnaidt Hagedorn**

Institutional Affairs Officer  
**Pedro Urzúa Frei**

General Counsel and Corporate Affairs(\*)  
**Domingo Valdés Prieto**

Regulation Officer  
**Mónica de Martino**

Safety Officer  
**Andrés Pinto**

Services Officer  
**Alison Dunsmore**

Sustainability Officer  
**Antonella Pellegrini**

Procurement Officer  
**Raúl Puentes Barrera**

Digital Solutions Officer  
**Ángel Barrios**

(\*) Key Executive

(1) Was appointed on 11.15.2019 to replace Marcelo de Jesús

(2) Eugenio Belinchon Gueto replaced Mr. Cutrinelli on 03.01.2020

Note:

During 2019, the following positions were no longer Key Executives:

Pedro Urzúa (until 09.24.2019)

Mónica De Martino (until 09.24.2019)

Alison Dunsmore Moreira (until 09.24.2019)

Angel Barrios (until 09.24.2019)

Antonella Pellegrini (until 09.24.2019)

Andrés Pinto Bontá (until 09.24.2019)

Raúl Puentes Barrera (until 09.24.2019)

Claudia Navarrete (until 09.24.2019)

# Executive Officers



## 1. CHIEF EXECUTIVE OFFICER

**Paolo Pallotti**

Electronic Engineer  
 Universidad de Ancona  
 Leadership for energy executive program  
 Harvard Business School  
 Taxpayer ID: 26,102,661-9  
 Since 10.01.2018

## 2. MANAGEMENT, FINANCE AND CONTROL OFFICER

**Giuseppe Turchiarelli**

Economist  
 Universidad de Cagliari  
 Executive MBA at "LUISS" Business School  
 Taxpayer ID 27,101,372-8  
 Since 11.15.2019

## 3. HUMAN RESOURCES AND ORGANIZATION OFFICER

**Liliana Schnaidt Hagedorn**

Industrial Engineer  
 Pontificia Universidad Católica de Chile  
 Taxpayer ID: 13.903.626-3  
 Since 02.01.2018

## 4. INTERNAL AUDIT OFFICER

**Raffaele Cutrignelli \***

International Business Degree  
 Nottingham Trent University (United Kingdom).  
 Master in Auditing and Internal Controls  
 Universidad de Pisa (Italy)  
 Diploma in Strategy, Innovation, Management and Leadership  
 Massachusetts Institute of Technology (MIT)  
 Taxpayer ID: 25,553,336-3  
 From 10.01.2016 to 02.29.2020  
 (\*) Replaced by Eugenio Belinchon Gueto on 03.01.2020

## 5. GENERAL COUNSEL AND SECRETARY TO THE BOARD

**Domingo Valdés Prieto**

Lawyer  
 Universidad de Chile  
 Master of Law  
 University of Chicago  
 Taxpayer ID: 6,973,465-0  
 Since 02.29.2016

# Risk Management

Enel Chile follows the guidelines of the Internal Control Management System ("SCGR" in its Spanish acronym) defined by the Holding company (Enel SpA) that establishes a set of risk management guidelines through standards, procedures, systems, etc. to be applied at all Company levels in their risk identification, analysis, evaluation, treatment and communication processes, which the Company is constantly performing. These are approved by the Board of Directors of Enel SpA, which houses a Controls and Risk Committee that supports its evaluations and decisions regarding internal controls and risk management systems, as well as those related to the approval of periodic financial statements.

To comply with these guidelines, each company has a specific Risk Management policy, which is reviewed and approved at the beginning of each year by the respective Board of Directors, identifying and applying local requirements regarding risk.

The Enel Group's risk management system considers three defense mechanisms to effectively and efficiently manage risk. The implementation of internal controls is the first defense mechanism in risk management, which involves developing various internal control processes to guarantee optimal risk management. The supervision of the business unit's compliance with internal controls is the second defense mechanism, and the evaluation of compliance by an independent party is the third defense mechanism. Each "mechanism" plays a different role within the organization's broader governance structure. Those responsible for each defense mechanism must report and keep senior management and the Board of Directors updated on the company's risk management performance. Senior management must be informed on the first and second defense mechanisms, while the Board of Directors must be informed on the second and third defense mechanisms.

The Risk Management department has ISO 31,000:2018 (G31000) International Certification and manages the Company's risk according to the current guidelines of this international norm. The main objective is to preemptively identify risks (endogenous and exogenous) and analyze, evaluate, and quantify their probability of occurrence and impact, known as the risk valuation phase. In the risk treatment phase, the Risk Management department defines mitigation plans along with the different departments and the Risk Owners, as the responsible parties of the various risks. The risk treatment phase considers all necessary actions that are consistent with the Company's policies and internal procedures, and that strictly follow international norms (ISO and OSHAS), and governmental regulations, which require risk management to be carried out in a transparent and sustainable manner to guarantee best governance practices and ensure business continuity.

The objective of internal controls management is to guarantee that business activities allow mitigating risks related to the observation and strict application of all current procedures and norms included in the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology. The internal controls management department complies with all the periodic monitoring requirements of the Sarbanes-Oxley Act, including the certification of these controls by the External Auditors every six months and establish actions, along with the Process Owners and Control Owners, to mitigate control deficiencies pointed out by independent external auditors, and continuously improve processes, as well as monitor the implementation of such actions and notify the Board on the status of such actions.

Enel Chile seeks protection from all risks that may affect its ability to accomplish its objectives, which, among others, are detailed below:

- > **Financial:** covers market risk (related to changes in the macroeconomic environment caused by changes in interest rates, exchange rates, and inflation expectations) and credit risk (the possibility that counterparties do not fulfill their commitments);
- > **Regulatory:** risks arising from changes promoted by regulatory bodies;
- > **Business (Market / Commodities):** covers risks related to the uncertainty of certain key variables inherent to the business, such as the characteristics of demand and the industry;
- > **Operational:** risks arising from inadequate internal processes or external events;
- > **Strategic:** risks related to innovation, investment plans, new customers, new players, cybersecurity, employee retention, and business continuity;
- > **Sustainability:** environmental, social, and implicit business governance risks, including:
- > **Reputation/image:** risks concerning a deterioration in the Company's image;
- > **Legal:** risks related to civil, strategic, consumption, environmental lawsuits, as well as contract terminations, labor and fiscal lawsuits.
- > **Cybersecurity:** risk related to information security and cyberattacks.

The structure of organizational risk management in the Enel Group relies on a global risk management committee that has the following duties: approve the risk policy proposed by the Holding's Risk Controller; approve proposed exposure limits; authorize limit breaches; define risk strategies by identifying action plans and instruments to mitigate risk, and supervise overall risk management and control.

Within each Group company, the risk management process is decentralized. The manager responsible for the operational process where a specific risk exists is also responsible for such risk's treatment, mitigation and control measures.

The Company currently evaluates all risks that may affect the continuity of operations due to the COVID 19 Pandemic under three scenarios: (i) Rapid recovery which means during the first quarter +1.5 months; (ii) Slow recovery which means during the second quarter +1.5 months; (iii) Recession which means after the third quarter.

For additional information see Enel Chile Annual Report available at [www.enelchile.cl](http://www.enelchile.cl)

# Internal Control and Risk Management System

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The internal control and risk management system "SCIGR" (in its Spanish acronym) consists of a set of rules, procedures and organizational structure to identify, measure, manage, and monitor the Company's main corporate risks. Particularly, these systems utilize recommendations contained in the Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The internal control system separates the roles and responsibilities within any operating level of the Company and ensures the coordination among such roles and responsibilities to prevent and mitigate conflicts of interest. The system also guarantees the traceability of risk identification, evaluation, management and monitoring, and considers three different types of activities:

- > **First level of control:** All control activities that the Company's operational units carry out to ensure that operations are executed properly.
- > **Second level of control:** Assigned to specific corporate functional areas to manage and monitor certain types of risk.
- > **Third level of control:** Internal audit activities that aim to verify the structure and the functionality of the SCIGR, including monitoring first and second level control activities. The SCIGR is periodically examined and revised considering evolving corporate operations and best practices.

## Internal Audit

The Internal Control and Risk Management System and the alignment of these systems with the Company's business model is one of Enel Chile's critical success factors.

The Internal Audit department is responsible for ensuring the efficiency and efficacy of the internal control and risk management system in an objective and independent manner. Given the nature of the Internal Audit department, it reports to the Board of Directors directly at least once every quarter. This includes any serious deficiency or possible irregular situation detected that must be reported to the authorities or other competent entities, as well as events that may affect the Company's judicial standing.

This department carries out periodical audit procedures to evaluate the performance of the Company's operations from a risk perspective, identifying areas of improvement and facilitating, along with process owners, action plans to strengthen the

Internal Control System to minimize irregular or fraudulent events that may affect the Company. The outcome of each audit and the follow up on the implementation of action plans are reported regularly to the Board, which directly supervises the execution of improvement plans.

Each audit includes control activities included in the Criminal Risk Prevention Model ("MPRP", in its Spanish acronym), which contains the requirements of the Crime Prevention Model of Law 20,393, which governs Enel Chile as a company based in Chile, which promotes international best practices to prevent and detect potential risks of illegal behavior, fraud, and any other action that may be in conflict with Enel Group's ethical principles. This methodology is also applied by Enel Chile subsidiaries, adjusting to each company's specific business.

In 2019, the Audit and Compliance Manager attended the Board of Directors' Meetings held in January, February, March, July, August, and September, to report all previously described issues, and also report on the management of the ethical channel.

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## Norms and Ethical Conduct

The Ethics Code includes 16 principles that define its ethical values, such as, impartial decision making, honesty, integrity, proper behavior in potential conflict of interest situations, confidentiality, fair competition, among others.

Enel Chile is fully committed to complying with its ethical standards and conduct and with the current regulation of each sector in which it operates regarding both internal and external relationships with other stakeholders. Transparency and ethical behavior are values that build trust and responsibility with all stakeholders.

The Company and its subsidiaries rely on an Ethics Code, approved by the Board of Directors, to guide the behavior of directors, executives, employees, and contractors. The Code describes the ethical commitments and responsibilities to be followed in managing the business and performing entrepreneurial activities.

The Ethics Code and other documents that provide the framework for Enel Chile's ethical culture are handed to employees, directors, suppliers, and contractors, and are also posted on the website, offering easy access to all stakeholders.

The Board of Directors is responsible for supervising the Company's compliance with ethical norms and criminal risk prevention measures, and delegates its follow-up and management to the Internal Audit department.

The Company strictly abides to Chile's Corporations Law, which establishes independence criteria to avoid conflicts of interest. Also, the Board of Directors voluntarily adopted General Norm 385 enacted by the Superintendence of Securities and Insurance ("SVS" in its Spanish acronym), today the Financial Market Commission ("CMF" in its Spanish acronym), which refers to relying on an independent outside expert to detect and implement potential improvements or areas of improvement, as is performed annually by an external auditing firm who issues a report that is submitted every year to the Board of Directors. The Internal Audit department also directly informs the Board on compliance with NCG 385.

## Criminal Risk Prevention Model

Enel Chile actively opposes to any form of corruption, either direct or indirect, within the scope of any value chain process, operation site, or with any stakeholder. The Criminal Risk Prevention Model covers all the requirements established by the Criminal Prevention Model defined by Law 20,393 and its amendments under Chilean Law.

The Criminal Risk Prevention Model ("MPRP" in its Spanish acronym) is built upon the Ethics Code and the Zero Corruption Tolerance Plan. Its objective is to control and prevent criminal activity within the organization, comply with norms, and provide transparency in the activities of all companies in which Enel Chile holds a majority stake, controls the administration, or is responsible for its management.

This MPRP model is comprised of a series of specific programs that, along with Enel's Global Compliance Program, comply with local regulation, mainly Law 20,393<sup>42</sup> and the highest international standards, such as, Norm ISO 37,001, Foreign Corrupt Practices Act and Bribery Act (United Kingdom). The Company also included the definitions of the Global Compact and the Sustainable Development Goals, both developed by the United Nations.

This model is conceived as the backbone of Enel Chile operations, and is therefore a guide to conduct and risk prevention for the entire Company.

The Board approves all documents involved in the compliance system, including the Criminal Risk Prevention Model, and relies on the Head of Crime Prevention for its implementation.

<sup>42</sup> Law 20,393 as determined legal persons to be criminally liable for asset laundering, financing terrorism, bribery receiving stolen goods, corruption among private parties, misappropriation, incompatible negotiation, and disloyal administration.

The Head of Crime Prevention has the autonomy, empowerment, and resources required to properly execute the department's functions. The Board regularly evaluates and monitors the implementation and improvement of the Company's procedures in this area by meeting with the Head of Crime Prevention who reports on the subject.

Enel Chile and its subsidiaries obtained external certification for its Criminal Risk Prevention Model, which was awarded most recently in 2019. The external certifier accredited and objectively evaluated the prevention system adopted and implemented by the Company, to the standards stipulated in Law 20,393. The certification lasts two years (2019 - 2020), period in which the Company and its subsidiaries are subject to constant evaluations.

In 2019, the Board of Directors approved the Criminal Risk Prevention Model update that considered the amendments to Law 20,393 in late 2018 and early 2019, which added criminal liability of legal persons in corruption, disloyal administration, incompatible negotiations, improper appropriation, illegal fishing, water pollution, activities with products in closed extraction season, and fishing activities without proper legal accreditation. These crimes are added to asset laundering, financing terrorism, receiving stolen goods, and bribery, which is considered an extraterritorial crime.

In addition, the Head of Crime Prevention, with the support of experts and involving all areas and processes of the Company, coordinated the update of risks and specific controls of the Criminal Risk Prevention Model.

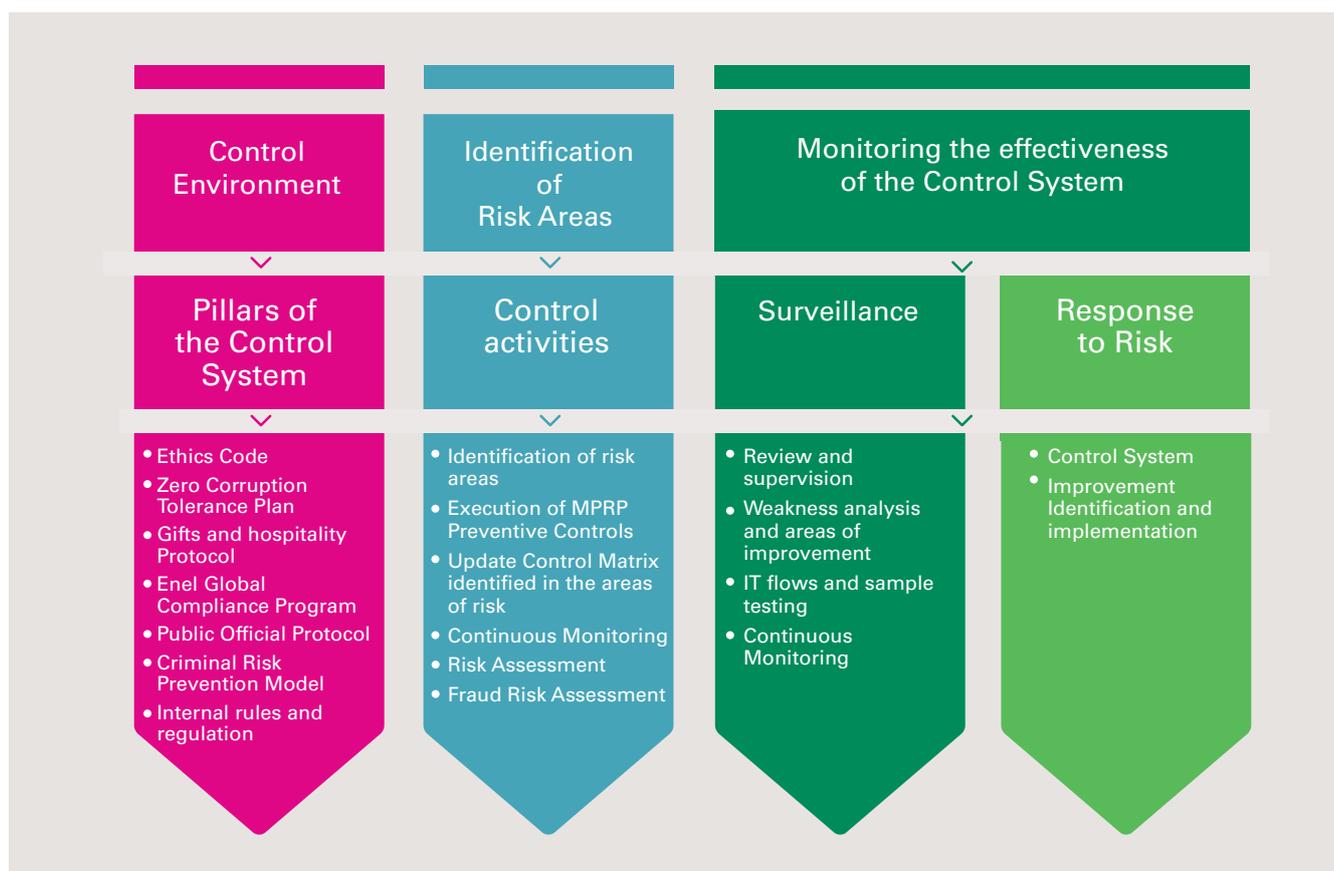
All Enel Chile subsidiaries also have a compliance program that is aligned with their respective business practices. In companies that are not directly controlled by Enel Chile, joint ventures, related companies or suppliers and contractors, the Company promotes the implementation of independent ethics and conduct codes, aligned with local legislation and Enel Chile's standards.

The supervision and evaluation of the internal and external implementation of these programs is an ongoing task planned and developed annually as part of the "Compliance Road Map".

## The Criminal Risk Prevention Model comprises the following main documents:

- Ethics Code
- Enel Global Compliance Program
- Zero Corruption Tolerance Plan
- Authority relations Protocol
- Gifts and hospitality Protocol
- Occupational health and safety Rules
- Conflicts of Interest Policy
- Hiring Consultants and Professional Services Policy
- Donations Policy
- Tenders and Acquisitions Policy
- Complaints Policy
- Sponsorship Policy
- Politically Exposed Persons and people Connected to Politically Exposed Person transaction approval Policy

## Elements of the Model



# Antibribery Management System ISO 37,001 Norm Certification

ISO 37,001 certification strengthens stakeholders' trust in Enel Chile. In 2018, the Company became the first in the Chilean electricity industry, and with Enel Americas, the first Latin America companies listed on the New York stock exchange, to receive such certification.

Under the tenth principle of the Global Compact, companies commit to fight corruption in all its forms, including extortion and bribery. Enel Chile's applies its ISO 37,001 Anti-Bribery Management System, which contributes to this commitment.

The ISO 37,001 standard specifies a series of measures and best practices to aid organizations in preventing, detecting, and confronting bribery. In Enel Chile, this system is focused on identifying risks and designing, executing, and improving behavior controls and standards in operations deemed risky, such as negotiations and contract executions with third parties, public and private tender participation, financial resource management, gifts and hospitalities management, employee selection processes, management incentive mechanisms, among others.



The Anti-Bribery Management System is a part of Enel Chile's compliance program. The Board of Directors is its maximum authority, and together with the Company's Senior Management, promote bribery prevention in Company activities and operations.

As part of Enel Chile's commitment to implement best practices worldwide, during 2019, Enel Chile, along with its subsidiaries Enel Generación Chile and Empresa Eléctrica Pehuenche, maintained their Anti-Bribery Management System certification under ISO 37,001: 2016 standards. Simultaneously, subsidiaries Enel Distribución Chile and Empresa Eléctrica Colina obtained their first ISO37001 Anti-Bribery Management System certification, becoming the first electricity distribution companies in Chile to be certified.



Enel Chile has participated in numerous events sharing its experience in implementing this important certification in the Company and transferring it to its subsidiaries as well.

## Supply Chain Compliance System

Service providers and contractors adhere to the Company's compliance provisions by agreeing with the General Terms of Service Contracts, which includes the Ethics Code, the Zero Corruption Tolerance Plan and additional documents contained by Enel Group's compliance plan. Enel Chile promotes crime prevention and fights corruption by means of training programs specifically designed for the supply chain activity provided and also through its permanent monitoring system.

The Board of Directors of Enel Chile is responsible for approving operations with Politically Exposed Persons (PEP) and Connected to PEP (PEPCO). Once a year, all suppliers are verified regarding internal policies. The Board is informed on the results of such verification process.

Regarding the procurement of consultancy and professional services, Enel Chile has specific procedures to verify the integrity of the transaction.

# Compliance Road Map

The goal of the midterm planning process for 2019-2020 is to strengthen the Company's Compliance System and Model and develop the specific community relations Open Power projects that are relevant to stakeholders.

- Community & Customers**  
 Transmit the commitment of the Enel Group to its compliance programs to the community and customers.
- Suppliers & Contractors**  
 Transfer our culture, values, and commitment to ethics and compliance to our stakeholders by working together to implement and strengthen best practices.
- Institutions & NGO**  
 Develop and share ethical and anticorruption best practices with government and civil society.
- Our Peers**  
 Identify electricity industry and other markets' best practices and promote the implementation of Enel Group standards in the Company.

In 2019, compliance activities focused on the early identification and mitigation of corruption, bribery and other criminal risks covered by Enel Chile's Compliance Model. The Compliance Model focuses on potential conflicts of interest or unethical behavior within all company processes using the following tools:

- Fraud Risk Assessment Matrix - FRA:** This tool updates the corruption risk assessment within all the Group's business units. It identifies and assesses all types of fraudulent events that could take place within the organization and is in line with the Risk Assessment performed by the Internal Audit Department.
- Criminal Risk Prevention Model's Risk Matrix Assessment:** This assessment consisted in verifying the specific risks that Enel Chile and its subsidiaries are exposed to, as required by Law 20,393. Each company has its specific compliance system according its specific context, as determined by regulation. In 2019, documents, risks and controls were revised and updated considering the broader scope of Law 20,393 making legal persons criminally liable for eight additional crimes.

- **Risk Matrix Assessment:** This tool assesses the risks within all processes carried out by Enel Chile and its subsidiaries using the C.O.S.O<sup>43</sup> methodology that is currently the main international risk assessment standard. In 2019, the risk types included in this model were updated in alignment with the Company's strategy and operation's context.
- **Ethical Channel:** Enel Chile kept this channel open to all stakeholders throughout the year. It guarantees confidentiality, no retaliation, anonymity and is managed by an external and independent entity.

Enel Chile also kept its communications plan and training programs operational in 2019. They focus on disclosing the main aspects of the compliance program and strengthening the corporate culture among employees and suppliers. These plans consider internal and external activities, including new employee induction programs that provide specific training on Enel Chile's compliance system.

During 2019, 26 training programs were held for 283 individuals, and 154 communication activities were carried out, focused on corruption prevention, unethical behavior, ethical channel use, ISO37,001 Anti-Bribery Management System, and on the Company's compliance system in general. A Criminal Risk Prevention Model course is also available online for all collaborators.



43 Committee of Sponsoring Organizations of the Treadway Commission

Enel Chile and its subsidiaries were acknowledged by the Foundation Fundación Generación Empresarial and the journal Diario Financiero with the "Generación Empresarial - Diario Financiero" award, for its commitment to systemically promoting ethical behavior and best practices in internal and external corporate compliance, both internally and externally, obtaining one of the top 3 grades among the 49 participating companies. The assessment involved reviewing the Company's formal documents and tools regarding ethics and transparency (programs, policies, commitments, activities, etc.) and also using employees and senior management's participation in Business Values and Ethics Barometer survey to assess their ethics and transparency culture. The jury consisted of recognized figures from the academia, business world, public scene and Chilean civil society representatives.



Enel Chile has participated and collaborated with stakeholders and various civil organizations, such as, the nonprofit organizations Chile Transparente, and Fundación Generación Empresarial, among others, to share experiences and promote best practices in integrity, organizational culture, and ethical and transparent business conduct.

## Ethical Channel

The Ethical Channel is managed by the Internal Audit department but operated externally. It allows anonymous reports on any irregular conduct contrary to the principles of the Criminal Risk Prevention Model or the Ethics Code, as well as other concerns related to issues such as accounting, control, internal audit, or crimes such as asset laundering, financing terrorism, bribery, corruption, improper appropriation, incompatible negotiation, environmental crimes, among others.

This channel is governed by the Global Policy 107 Whistleblowing Policy, which guarantees anonymity, whistleblower protection against retaliation, and protection against complaints in bad faith.

The Ethical Channel is available to employees, contractors, suppliers, clients, communities, and other stakeholders, and is reachable through the telephone, in person, and digitally through the intranet and the Company website. The whistleblower may communicate through the channel to deliver more information related to the reported situation, as well as to receive feedback and questions from the team investigating the case.

During 2019, part of the Company's training and communications plans focused on promoting the use of the Ethical Channel through publications and training. Employees were taught how to use the Ethical Channel and were shown its usefulness. It was also promoted using promotional items and talks during events with suppliers.

In 2019, the Ethical Channel received 15 complaints related to Enel Chile's ethics code, 42% less than in 2018. Of these reports, three were non-relevant violations of the Company's Ethics Code, regarding contract management and conflicts of interest, and were all managed adequately. Should be noted that Enel Chile had no confirmed cases of corruption or bribery during the last four fiscal years.

Enel Chile							
KPI	UM	2019	2018	2017	2016	2018-2019	%
Concerns received (1)	n.	15	26	12	10	-11	-42.3%
Noncompliance relative to:	n.	3	7	6	6	-4	-57.1%
Conflict of interest/Corruption (2)	n.	2	4	1	2	-2	-50.0%
Improper use of assets	n.	1	0	2	1	1	100.0%
Workplace climate	n.	0	2	2	2	-2	-100.0%
Community and society	n.	0	0	0	0	0	-
Other reasons	n.	0	1	1	1	-1	-100.0%

(1) Concerns related to the ethics code declined in 2019, but stakeholder concerns increased. They reported 43 concerns through the ethics channel, 28 of them related to operations.

(2) Corruption is defined as abuse of power to obtain personal gain and may be performed by public or private sector Individuals. It includes practices such as, bribery, extortion, collusion, conflicts of interest and asset laundering.

#### WHERE TO REPORT CONCERN?

##### Corporate website

[www.enelchile.cl](http://www.enelchile.cl)

[www.eneldistribucion.cl](http://www.eneldistribucion.cl)

[www.enelgeneracion.cl](http://www.enelgeneracion.cl)

Right menu/ Ethical Channel

##### Internet

Directly to Ethical Channel

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

##### In person or in writing

Enel Chile

Internal Audit Department, Santiago, 76 Santa Rosa Ave, Floor 9.

# Ethical Channel Process

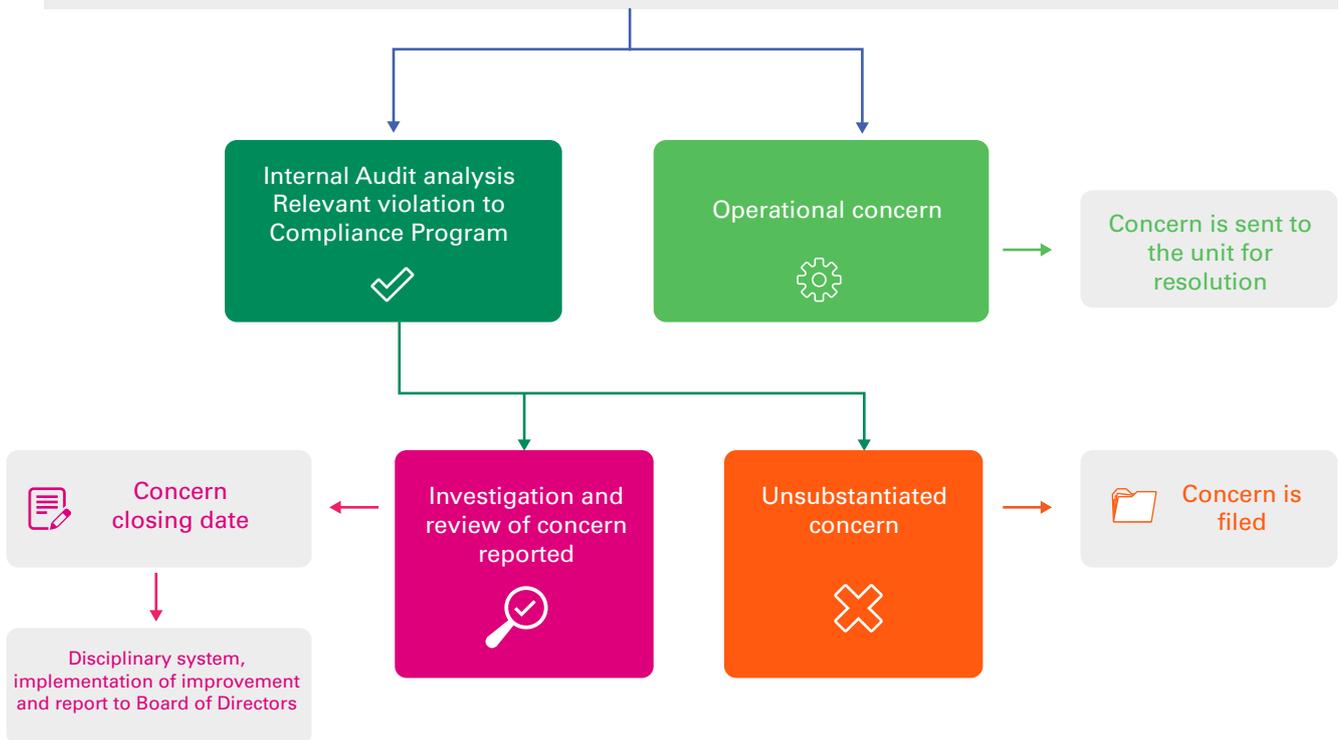
The Enel Group has a whistleblowing policy to organize the reception, analysis and management of reports concerning suspected violations to Enel Compliance Programs

## Channels ensure

- Anonymity
- Confidentiality
- Safety
- Protection against retaliation



## Internal Audit performs preliminary analysis



# Institutional Relations and participation in associations

102-13	103-2
103-3	415-1

Enel Chile manages its relations with local, national and international institutions on an ongoing basis, following the criteria of the Compliance Program, and the Criminal Risk Prevention Model to provide complete and transparent information for institutions to stand on solid grounds when making their decisions.

Activities with institutions are registered and controlled according to the provisions of Chilean Law 20,730, which requires employees, managers and contractors to comply with established procedures and manuals when relating to public officials or members of public institutions on a regular basis.

Enel Chile was part of numerous trade associations and business associations during 2019, some related to the electricity industry and some resulting from interactions with organizations in other sectors, supporting various regulatory and consultation processes related to country level commitments, the development of energy policies, planning the country's decarbonization process and also tax, tariff and environmental legislation. The following values correspond to the total contributions of Enel Chile during 2019.

Contributions over the last four years *			
2016	2017	2018	2019
\$738,284,429	\$860,796,391	\$679,412,717	\$843,566,874

\* Enel Chile or any of its subsidiaries have not made any contribution to lobbying, interest representation or similar, local, regional or national political campaigns/ organization/candidates or other (e.g. spending related to ballot measures or referendums)

The three most relevant monetary contributions made by Enel Chile were: generators trade association (Asociación Gremial de Generadores, Ch\$ 313,539,450) donated by the subsidiary Enel Generación Chile, electricity company trade association (Asociación Gremial de Empresas Eléctricas A.G, Ch\$ 278,995,116) donated by subsidiary Enel Distribución Chile, and the nonprofit private corporation that promotes business excellence ICARE (Instituto Chileno de Administración Racional de Empresas Ch\$ 68,982,500) donated by Enel Chile.

Enel Chile and its subsidiaries were involved in the support of the regulatory and consultation processes related to the following main issues:

- > **Development of energy policies:** Includes energy strategy, energy efficiency, renewable energy growth, development of Smart networks and energy prices, among other subjects. The contribution to development of this process amounted to Ch\$ 604,975,223.
- > **Greater Business competitiveness:** included, but not limited to taxation, labor regulation, and environmental policies. The contribution to development of this process amounted to Ch\$ 238,591,651.

Enel Chile commits to providing transparent information to the organizations it interacts with by abiding to its Compliance Program and, as stated by the Company's Ethics Code that includes requirements of Law 20,915, does not finance political parties or representatives, and does not sponsor conventions or events related to political propaganda. Enel Chile has not made and will not make any political contribution, or contributions to any lobby or election related activity.

## Participation in Associations

Subsidiary	
Enel Chile	Acción Empresas
Enel Chile	Asociación Chilena de Energías Renovables (ACERA) (Chilean Renewable Energy Trade Association)
Enel Generación Chile	Asociación de Empresas de la Quinta Región (ASIVA) (Fifth Region Trade Association)
Enel Generación Chile	Asociación de Industriales del Centro Región del Maule (ASICENT) (Maule Region Industrial Trade Association)
Enel Generación Chile	Asociación Gremial de Generadoras (Generators Trade Association)
Enel Generación Chile	Cámara de la Producción y del Comercio de Concepción (Concepción Chamber of Production and Commerce)
Enel Chile	Centro de Estudios Públicos (CEP) (Center of Public Studies)
Enel Distribución Chile	Centro de Innovación UC (UC Innovation Center)
Enel Chile	Chile Transparente
Enel Chile	CLG Chile Grupo de Líderes Empresariales contra el Cambio Climático
Enel Generación Chile	(Universidad de Chile) (CLG Chile a Group of Business leaders against climate change)
Enel Chile	Comité Chileno del Consejo Internacional de Grandes Redes Eléctricas (CIGRÉ) (Chilean committee of the International Large Electric Network Council)
Enel Generación Chile	Comité Chileno del Consejo Mundial de la Energía (WEC) (World Energy Council Chile)
Enel Generación Chile	Comité Chileno del Consejo Mundial de la Energía (WEC) (World Energy Council Chile)
Enel Distribución Chile	Corporación del Desarrollo de las Comunidades de Puchuncaví y Quintero (Quintero and Puchuncavi counties community development corporation)
Enel Generación Chile	Empresas Eléctricas A.G.
Enel Chile	Icold - Comité Nacional Chileno de Grandes Presas (Chilean National Large Dam Committee)
Enel Chile	Instituto Chileno de Administración Racional de Empresas (ICARE) (Chilean Rational Business Management Institute)
Enel Generación Chile	Instituto de Ingenieros de Chile (Chilean Engineers trade association)
Enel Generación Chile	Instituto de Ingenieros de Chile (Chilean Engineers trade association)
Enel Generación Chile	International Hydropower Association
Enel Distribución Chile	Junta de Adelanto del Maule (JAM) (Progress Council of Maule)
Enel Generación Chile	Pacto Global Red Chile (Universidad Andrés Bello) (Global Compact Chile Network)
Enel Chile	Pacto Global Red Chile (Universidad Andrés Bello) (Global Compact Chile Network)
Enel Distribución Chile	Sociedad de Fomento Fabril (SOFOFA) (Chile's Manufacturers' Association)
Enel Generación Chile	Sociedad de Fomento Fabril (SOFOFA) (Chile's Manufacturers' Association)

# Respect for Human Rights

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Any internal or external person may report a fundamental rights violation concern to the Internal Audit Department or through the Ethical Channel, as determined by the Principles of Human Rights Policy.

Enel Chile recognizes its corporate responsibility to respect Human Rights and the importance of demonstrating that the Company is adopting the necessary measures to comply with such social responsibility.

The "United Nations Guiding Principles on Business and Human Rights" is the core of Enel Chile's Human Rights approach. It establishes the authorized global standards to assess business-related human rights risk management systems since 2011 and describes companies' obligation to respect Human Rights, performing due diligence to prevent violations to the rights of others and address the adverse impact on those involved.

In 2013, the Board of Directors of every Enel company approved a Human Rights Policy adopting the UN's "Protect, Respect and Remedy" approach. The Human Rights Policy, defined through a consultation process that involved people from within the Group and recognized international experts, identifies the following eight principles divided into two main categories:

## Labor Practices

- Rejection of forced or compulsory labor and child labor
- Respect for diversity and non-discrimination
- Freedom of association and collective bargaining
- Occupational Health and safety
- Fair working conditions

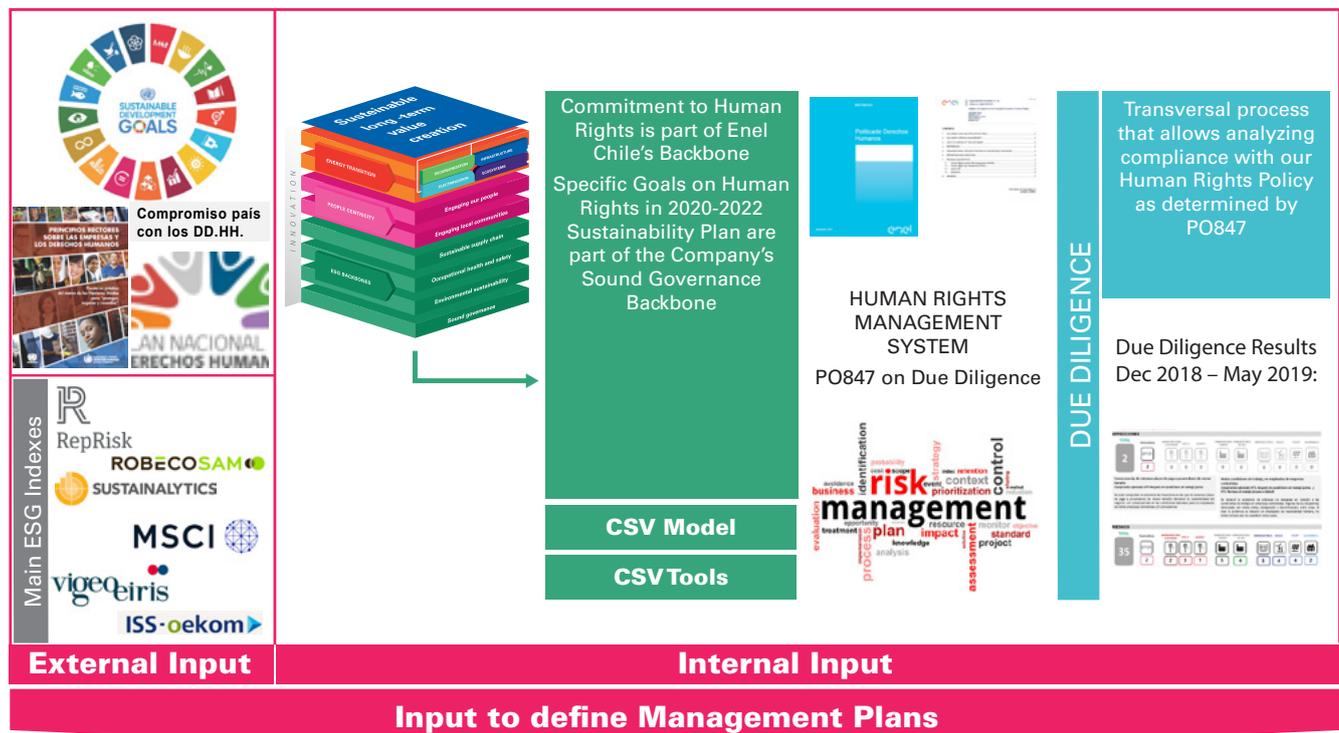
## Community and society relations

- Respect community rights
- Integrity: zero corruption tolerance
- Privacy and communications

Enel Chile's Human Rights Policy available is available at:

<https://www.enel.cl/en/investors/investor-enel-chile/corporate-governance/human-rights-policy.html>

## Human Rights Management



## Due Diligence

Enel Chile developed a due diligence approach for high risk sites, processes or activities that require additional attention, where problems that arise may be mitigated or remedied. This approach involves five phases:

Phase	Objective	Specific Activity	Main results 2017-2019
Analysis of country level risk perceived by key stakeholders	<ul style="list-style-type: none"> <li>- Know the human rights context of the Company's operations</li> <li>- Identify the most relevant risks from a country wide perspective</li> </ul>	<p>Our stakeholders were surveyed (online/ interview) in two stages</p> <ul style="list-style-type: none"> <li>- <b>First stage</b> Corruption, diversity and child labor issues</li> <li>- <b>Second stage</b> Environment, community and safety issues</li> </ul>	The analysis showed that issues relating to corruption and environmental impacts are a "high priority risk," that require companies to adopt advanced monitoring mechanisms.
Gap assessment	<ul style="list-style-type: none"> <li>- Assess human rights practices and policies.</li> <li>- Identify and analyze Enel's organization and control systems</li> </ul>	<p>A standard self-evaluation tool divided into two sections was developed:</p> <ul style="list-style-type: none"> <li>- <b>Self-evaluation of general human rights management methods:</b> Managers were interviewed to explore how human rights integrate into company operations, processes and procedures allowing the company to manage human rights risks.</li> <li>- <b>Self-evaluation of Human Rights management performance:</b> Operational level self-evaluation questionnaire regarding human rights related activities</li> </ul>	<ul style="list-style-type: none"> <li>- The policies, procedures, systems and practices in place in the Group in each area of the value chain have been assessed by analyzing over 100 indicators. The results showed that Enel has a set of robust mechanisms and management systems, which ensure respect for human rights and adequately manage existing risks.</li> </ul>
Review of compliance with Human Rights Policy at sites	<ul style="list-style-type: none"> <li>- Know the degree of compliance with Human Rights Policy of areas and power plants that could be exposed to higher risk and require additional attention to Human Rights issues.</li> </ul>	<ul style="list-style-type: none"> <li>- Interviews of 97 internal and external stakeholders of all business lines and visits to power plants Ralco, Pullinque, Sauzal, Cerro Pabellón, FinisTerra, Valle de los Vientos, Bocamina, San Isidro and Atacama.</li> </ul>	<p>37 situations were identified and divided into two categories:</p> <ul style="list-style-type: none"> <li>- Two conditions: objectively demonstrated cross sectional situations in which the Company affected one or more human rights policy commitments.</li> <li>- 35 risks: situations, not objectively demonstrated, but in which experience suggests that if not addressed could lead to one or more negative consequences on Enel's human rights policy commitments.</li> </ul>
Action plans	<ul style="list-style-type: none"> <li>- Define actions to prevent, control and remedy situations that require attention detected in the Human Rights policy compliance review stage</li> </ul>	<p>Two plans were developed based on the origin of the actions to be carried out:</p> <ul style="list-style-type: none"> <li>- <b>Gap assessment</b> Action plan defining the measures that business lines must implement according to the gaps identified.</li> <li>- <b>Review of human rights policy compliance at sites.</b> Prevention and remediation plan</li> </ul>	<ul style="list-style-type: none"> <li>- Action plan: 14 actions were programmed to cover 100% of operations and were all executed by December 2019.</li> <li>- Prevention and remediation plan: Worktables were formed by the different areas of the Company to determine actions to be carried out for the 37 situations identified at sites.</li> </ul>
Follow up on action plans	<ul style="list-style-type: none"> <li>- Assess progress of measures defined and compliance with commitments acquired by parties responsible for actions</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings were held to review progress and verify some of the actions defined.</li> </ul>	<ul style="list-style-type: none"> <li>- Follow up on action plans. Three-year due diligence period comes to an end.</li> <li>- Prevention and remediation plan, late 2019, 100% of the situations identified have been addressed and some actions are to conclude in 2020. (due to external factors such as the social crisis) and in 2021 (as part of the more extensive processes).</li> </ul>

# Review of compliance with Human Rights Policy at sites

The review in-situ of the Company's compliance with Human Rights Policy commitments was performed using on site exploration, in-depth interviews and internal company information. Stakeholder perception studies focus groups and interviews to community representatives, suppliers, contractors, and other leaders that could contribute to the process, area also analyzed. Once the information is collected and organized, it is processed and associated to the potential risk situations related to the Company's most relevant operational processes to define adequate mitigation plans opportunely.

## Due Diligence



Based on the results of the in-situ review, specific tasks were defined to give Human Rights issues a priority within Enel Chile's management activities and to perform internal and external diffusion as part of a communications and training plan.

In 2020, a new assessment cycle will begin, continuing with the effort carried out in the 2017-2019 period.

Activity/goal	2019 Results
Constant alignment with corporate governance best practices and recommendations, For instance, the Financial Market Commission's General Norm 385.	To increase compliance with the standards established in General Norm 385, the Board agreed to review sustainability and risk related issues with the frequency established by the norm.
Structured Director induction and training Plan to include compliance issues, the Criminal Risk Prevention Model (MPRP), antibribery and sustainability.	The Ethical Week was launched and the amendment to Chilean Law 20393 was addressed, which adds criminal liability to legal persons in Chile.
Maintain anticorruption management systems ISO 37,001 certification.	Enel Distribución Chile was certified, and Enel Chile and Enel Generación Chile maintained their certifications.
Continuous improvement of Compliance Programs /MPRP.	The Risk Matrix and Control Matrix were updated according to Law 20393 and Enel Chile and subsidiary Compliance Road Map was executed.
Model 231 and Enel Global Compliance Program training were extended.	945 people received training, 16% of employees received in-person training
Continue diffusion, awareness, and communication of Ethical Channel to employees and stakeholders emphasizing non retaliation, confidentiality and relevance of internal and external diffusion channels.	154 communication activities have taken place to date.
Active participation in the development and execution of initiatives to promote transparency and anticorruption with trade associations and the public and private sector.	Participation in the Global Compact SDG 16 table, in ISO 37,001 seminars with Deloitte, Chile Transparente and activities with Fundación Generación Empresarial.
Transfer of ethics and anticorruption related tools and methodologies to contractors and partners through training and operational guidelines issued along with the legal department and corporate affairs department.	Supplier ethics principals were disclosed, and two events were carried out within the scope of the Ethics Week and the International Anti-Corruption Day. Seven suppliers received ethics and compliance training.
Carry out a Human Rights due diligence every year.	In 2019, the action plans defined in 2018 were implemented and a new due diligence was carried out.

# Occupational Health and Safety

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People are Enel Chile's most precious asset and issues such as health, safety, and psychological and physical integrity are paramount. This statement is materialized through the engagement of the Company's entire population in safeguarding occupational health and safety for all internal and external employees.

The Company develops and promotes a safety culture that encourages self-care, defines health and safety policies, integrates safety into processes, training sessions, quality controls, accident analysis and best practices exchange, among other measures.

Enel Chile follows the guidelines of the Enel Group "Declaration of Commitment to Health and Safety", which includes the following principles:

- The adoption of best safety norms and standards, in addition to regulatory compliance.
- Continuous improvement of the Health and Safety Management System in accordance with OHSAS 18001.
- Reduction of occupational accidents and diseases by adopting measures and programs that are latter evaluated to determine their efficacy.
- Assessment of health and safety risks using a systematic approach to eliminate them in their origin, and when not possible, minimize their effects.
- Promotion of information initiatives to disseminate and strengthen the health and safety culture.
- Implementation of work methods based on quality through formation processes reinforcing technical and safety issues.
- Management ongoing commitment to promote a robust culture of safety leadership.
- Encourage responsible and safe conduct within all levels of the organization.
- Design workplaces and provide tools and equipment that guarantee greater security, comfort, and wellbeing while executing tasks.
- Restrictive supplier and contractor selection and management and encourage their participation in continuous health and safety improvement programs.
- Constant focus on communities and all who work or are in contact with Enel Chile activities, by interchanging health and safety protection culture
- Specific and measurable objectives are set every year and are monitored continuously.

## Stop Work Policy

Enel Chile adheres to the Stop Work Policy, which encourages precaution when facing a health, safety, or environmental risk situations. In this sense, all workers -Company employees and contractors- may intervene and halt any activity that may pose a risk for workers' health and safety. Also, any unsafe behavior, omission, or potential accident-prone situation must be reported to a superior as soon as possible.

Stop Work reports do not lead to punitive procedures for whistleblowers, as it is intended to encourage people to raise alerts to focus on health, safety, and environmental conservation in Company operations.



The Enel Group updated its Health and Safety Policy according to the principles established in the Declaration of Commitment to Health and Safety and the Ethics Code. This policy is implemented in every Enel Chile subsidiary and every business line has its own Health and Safety Management System, abiding by BS OHSAS 18,001 international norms. This system is based on identifying potential hazards, performing a quantitative risk assessment, planning and implementing preventive and protective measures, and verifying the safety of such preventive and protective measures to implement corrections. The Health and Safety Management System is used by Enel employees and by contractors that work at Company plants or facilities.

Enel Chile has established a "commitment chain" that encourages people from all levels of the organization to adhere to the Company's health standards and environmental care standards and apply them to the entire operations' value chain.

During 2019, the Company continued with the SHE 365 program, created in 2018, with the participation of employees and suppliers in initiatives related to safety, health, and environmental care. The objective of this program is to increase attention to Occupational Health and Safety by reinforcing the commitment chain throughout the Company, by the exchange of best practices, and the involvement of contractors in Enel Chile's health and safety culture.

From an organizational standpoint, the Company's Health, Safety, Environment, and Quality (HSEQ) department exercises an important role in the direction and coordination of the program, promoting the dissemination and exchange of best practices, aimed at creating improvement opportunities and guaranteeing ongoing commitment to risk reduction.

In 2019, and according to strategy and safety policies, several actions were put in place aimed towards strengthening transversal initiatives that include all business lines, such as the Stop Work Policy, which is applied to safeguard employee safety while executing their daily tasks.

## Work Committees

The Company has Joint Committees and a Psychosocial and Labor Risk Committee. Joint Committees represent all Enel Chile employees and their role is to promote a culture of safety and also inspect and possibly investigate accidents.

The Psychosocial Risk Committee is comprised of directors, People and Organization department representatives, and employee representatives. Its mission is to implement the Psychosocial Risk Vigilance Protocol, aimed at detecting areas of improvement that will reduce or eliminate negative impacts on employee health.

# Occupational safety

A series of initiatives are developed to ensure compliance with Enel Chile's safety protocols and control risks related to the execution of various activities.

## Safety briefing and Extra Checking on Site

Safety briefings are meetings held every 15 days, attended by the Company's CEO and main executives, to present the latest safety and accident reports.

Business Unit	Security Briefings
Enel Distribución Chile	25
Enel X	12

Extra Checking on Site (ECoS) is a program to assess adequacy of the organization and processes of a specific operational unit. ECoS are carried out to verify the condition of safety equipment, behavior, risk management, and emergency support equipment. These controls are made by expert HSEQ personnel external to the operating unit involved in the investigation, according to specific technical profiles of each business, and allow defining corrective measures from a preventive standpoint.

Business Unit	ECoS
Enel Distribución Chile	4
Enel X	2
Enel Generación Chile	4
Enel Green Power	5

## Safety Walks

Through observation, Enel Chile executives inspect safety conditions in their respective operational areas. Safety walks allow detecting potential risks and making opportune decisions preemptively, thus preventing potential accidents.

During 2019, the following walks were carried out, per business unit:

Business Unit	Safety Walks
Enel Distribución Chile	10 Enel Distribución Chile executives carried out a total of 86 on-site Safety Walks
Enel X	2 Enel executives carried out 2 Safety Walks
Enel Generación Chile	300 Safety Walks
Enel Gren Power	27 Safety Walks

In addition, the “Safety - Executives and Supervisors” leadership programs were also carried out in each business line:

Business Unit	Leadership in "Safety - Executives and Supervisors"
Enel Distribución Chile	7 executives and 40 area supervisors
Enel X	5 executives and 2 areas supervisors
Enel Generación Chile	156 in total

Regarding accident management, Enel Chile relies on a specific policy (Policy 106 “Incident classification, communication, analysis and reporting”) that defines roles and protocols employed to guarantee prompt communication of accidents and cause analysis, definition of improvement plans and respective monitoring, all depending on the type of incident. To comply with this policy, a group of experts were called upon to analyze events that could potentially cause serious employee injuries and also investigate all fatal and serious injuries, in addition to all events deemed significant.

### Safety Moving Pool (SMP)

To support on-site safety management, a multidisciplinary team composed of workers with extensive experience reinforce cultural change so that works are executed in compliance to current safety laws and regulations. To this end, they supervise, provide technical advice, and promote best practices, improving relationships with suppliers and increasing safety standards.

During 2019, SMPs were carried out for 15 days in Central San Isidro I, for 21 days in Quintero II, for 25 days in San Isidro II and for 21 days in Taltal.

## Activities in Generation operations

In the Generation business, Enel Chile carries out several initiatives to prevent accidents and promote safe operations. Due to the varying characteristics of power plants, the Company adjusts safety activities to the needs and priorities of each plant. Several of these initiatives are presented below:

### Thermal generation

#### Intrinsic Safety (IS)

This program provides a method of detecting risk associated to the use machinery, systems, or equipment.

The program begins by identifying and analyzing the equipment subject to the study to detect possible risks and define a safety information sheet. Then, the results are discussed to identify areas of improvement to elaborate a remedial action plan.

## **Local safety Peer review**

The objective of this program is to conduct a peer review of other units on safety issues, aimed at identifying areas of improvement and best practices, which may be transversally adopted by the different HSEQ teams.

## **Competences Attitude Reliability (CAR)**

The Company has implemented the Competences Attitude Reliability (CAR) program, which seeks to guarantee that the workers who are exposed to risk have the technical skills and attitudes required to prevent accidents at work. It applies to Company employees and contractors, and is composed of three steps: first, definition of critical activities; second, identification of employees that perform critical activities; and third, identification of required training. It is worth noting that 100% of thermal power plant employees were evaluated under this program.

## **Renewable Generation**

### **Leadership for Safety**

The Company's Leadership for Safety program consists of training sessions for the business line leaders in every country to reinforce their commitment with HSEQ issues. 14 sessions were held in 2019.

### **Digital Accreditation of Suppliers**

The digital accreditation of suppliers is the digitalization of the legal documentation of contractor companies using the Wise Follow Platform to maintain an online record of contractors' accreditation status, as well as their employees, vehicles, and machinery.

### **Customized Supervisor Plans**

This program is for operation and maintenance personnel and is focused on communicating the importance of HSEQ activities to project and power plant supervisors, establishing a training program for each person based on each one's specific tasks, providing the tools required to correctly evaluate risk and prevent accidents.

### **Emergency Review and Assessment Program**

This program involves the verification of all emergency plans. It focuses on accidents that affect people and their on-site applicability. Plans, training programs, simulation programs, and execution is reviewed.

### **Fatality Prevention Program (FPP)**

Safety standards for jobs with a high potential fatality risk, such as electric shock risk, high-rise work, lifting cargo and entrapment or impact from falling objects.

### **Team Building HSE**

Participation of HSE personnel from contractor and subcontractor companies working on projects in the construction stage to empower them with information on Enel's policies and guidelines.

## Initiatives in Enel Distribución Chile

### Safety Culture Transformation Plan

It seeks to define the safety conduct standard for Enel Distribution Chile employees and contractors and also strengthen the Company's leadership on the matter.

The plan was developed with ACHS and Dekra through workshops with executives to define Enel Chile's commitment to safety and the behavior that is expected at each hierarchical level.

A 360° evaluation of each executive's safety leadership skills to detect gaps and design specific individual action plans for each executive, which were implemented throughout the year.

### Operational Excellence Center

The construction of the Operational Excellence Center located in Lampa county began in 2019. The purpose of this Center is to certify the skills of workers that provide services to Enel Distribución Chile and will also be a training center as defined by Enel Group guidelines. Employees will receive instruction on safety measures related to their work and will also learn about the importance of workplace safety and environmental care.

The construction of a significant part of the Operational Excellence Center has already been completed and is being used to perform re-induction programs for field teams. The Center is expected to be fully operational by mid-2020.



## Safety Inspections

Safety inspections consist of on-site verification of safety management and compliance with safety measures of all facilities. In 2019, a total 19,860 inspections were performed, of which 1,350 of them had at least one breach.

## Enel X Initiatives

### Audit Program

The objective of the audit program is to evaluate Enel Chile's employees' annual occupational health and safety plan, especially the annual plan of those who perform high-risk jobs. This evaluation allows identifying gaps that become the focus of safety management efforts. During 2019, nine employees were audited, leading to over 100 improvement initiatives.

# Occupational Safety Statistics

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Enel Chile + Contractors	2017	2018	2019
Fatal Accidents	0	0	2
Major Accidents	2	1	0
Minor Accidents	28	26	16
Total Accidents	30	27	18
Accident Frequency	1.22	1.08	0.76
Injury Rate	0.24	0.22	0.15
Rate of days lost due to accidents	9.07	13.39	1.87
Work hours	24,531,504	25,011,548	23,644,431
Days lost	1,113	1,674	221

As a result of the actions implemented, the accident frequency index was reduced by 30% when compared the same period in 2018.

## Occupational Health

For Enel Chile, the health of its external and internal workers is crucial. Thus, the Company has a health management system based on preventive measures, aimed at developing a corporate culture geared towards promoting psychological and physical health and organizational wellbeing, seeking a balance between work and personal life.

During the year, the Company launched ten communication campaigns on health for all employees and focused on prevention, which covered the following topic:

- > **March: Anti-stress campaign:** practical recommendations for dealing with stressful situations in the workplace.
- > **April: Immunization Campaign:** Massive invitation for vaccination against Influenza
- > **May: Anti-tobacco Campaign:** Tips to prevent and avoid its consumption
- > **June: Colon Cancer and Gastric Cancer Campaign:** Recommendations for the timely detection and prevention of these diseases through a Preventive Health Exam.

\* On the morning of May 14, 2019, a team of 12 people from contractor company Ferroviaria Agroman were dismantling segments of the Los Cóncores hydroelectric power plant's water tunnel -currently under construction- when a concrete segment fell off. When trying to pull it out, the beam to which the vehicle was anchored to came loose, and struck two workers, unfortunately causing their death.

- > **July:** Viral and Respiratory Disease Prevention Campaign: practical recommendations to prevent possible infections.
- > **August:** Heart Care Campaign: Set of recommendations that aim to promote self-care.
- > **September:** Cervical and Prostate Cancer Campaign: Tips for its detection by taking a preventive health exam.
- > **October:** Breast Cancer Prevention Campaign: Invitation to participate in the prevention of this disease through early detection/self-examination.
- > **November:** Healthy Eating Campaign: Tips for a better diet and lifestyle.
- > **December:** Skin Cancer Campaign: Tips for skin care against ultraviolet radiation and other agents.

Campaigns were also carried out regarding contingency issues, such as campaigns against cholera, measles, violence against women, safe vacation, and responsible conduct during national holidays.

In 2019, Enel Chile organized six talks on health issues, presented by doctors and nutritionists that focused on the following topics:

- > **August:** What is Arteriosclerosis and its main exponents (Cerebrovascular Disease and Coronary Heart Disease)?
- > **September:** Hypertension (HT) or high blood pressure (HBP), a silent disease
- > **October:** Mental Health
- > **October:** Cholesterol, dyslipidemias and its impact on vesicular disease,
- > **November:** Diabetes Mellitus
- > **December:** Overweight and Obesity, a Public Health problem

Enel Chile simultaneously offered a series of preventive health programs, highlighting the following:

- **Preventive Examination Program:** Consists of laboratory tests, imaging, and medical evaluations aimed at preemptively detecting preventable and controllable diseases and reducing related risks. This benefit is voluntary and free of charge, directed to all Company employees according to age and gender.

Participation	Total
Enel Chile	333
Enel Distribución Chile	507
Enel Generación Chile	316
Enel Green Power	132
<b>Total general</b>	<b>1,288</b>

## Psychological First Aid

The objective of this program is to provide workers with emotional management tools to face the crisis that began in Chile in October 2019, offering containment and support. This campaign was carried out through the health department of the Chilean Safety Association ("ACHS", in its Spanish acronym) and was extended to employees of contractor companies. Company employees that participated in these initiatives work in the customer service department and in areas with vulnerable population. A total 366 people participated in the program, including Company employees, eight contractor companies, and employees from nine Enel Distribución Chile sales offices.

- **Travelers' Medicine Program:** Consists of preventive vaccines (yellow fever, hepatitis A and B, typhoid fever, tetanus, measles, as appropriate) for workers who must travel to other countries for work.

Vaccinations	Total
Enel Chile	8
Enel Distribución Chile	5
Enel Generación Chile	2
Enel Green Power	9
<b>Total</b>	<b>24</b>

## Supply chain Health and Safety

Enel Chile extends its Occupational Health and Safety policies to all suppliers and contractors, from the tender process until the expiration of the contract<sup>44</sup>. The Company's Occupational Health and Safety Manual is included in the call for product and service tenders. The health and safety track record of every company that participates in the tender is evaluated, and once a company is selected, it must adhere to the tender's general terms and conditions, which includes occupational health and safety conditions.

Throughout the duration of the contract, suppliers and/or contractors are subject to periodical evaluations regarding their compliance to safety standards, environmental regulation, work conditions, and correct use of personal protection equipment (PPE).

Enel Chile simultaneously offers training to contractor companies to make them part of the Company's safety culture.

The following programs offered by Enel Chile and its subsidiaries are extended to contractors<sup>45</sup>:

- Psychological First Aid
- CAR (Competences Attitude Reliability)
- Local Safety Peer Review
- Safety Moving Pool
- Health and medical oversight protocols
- Intrinsic Safety

A series of specific initiatives to guarantee safety standards among contractor companies are also in place, among which the following are noteworthy:

<sup>44</sup> For further information see chapter on Sustainable Supply Chain, page 245.

<sup>45</sup> For more information about each program, see previous section, pages 215 to 217.

## Safety Supplier Assessment

The objective of contractor and supplier safety assessments are to guarantee that suppliers and contractors have adequate safety standards and are committed to rectify gaps, if necessary.

The Supplier Assessment program, which was prioritized among supplier safety controls in 2019, consists of specific audits performed to supplier's facilities. They are carried out in the Qualification phase of the new contractor process, and also when critical situations arise, such as major accidents or fatalities.

Business Unit	Supplier Safety Assessment
Enel Distribución Chile	23
Enel X	6
Enel Generación Chile	29
Enel Green Power	12

In 2019, a total of 153 assessments were performed to all types of contractors, which achieved the Company's goal for the year.

In addition to this program, the Company defined specific plans that were monitored and controlled using 10 Evaluation Groups based on occupational safety performance, measured with the "Contractor Safety Index".



## Collaborative Portal

To establish fluid communications between contractor employees and the Company, Enel Chile designed the Collaborative Portal, a platform through which internal and external employees can access procedures, matrices, and statistics on accidents and incidents. This tool provides workers with additional information, allowing them to maintain adequate safety standards at work.

## Disembark for life program

The disembark program consists of on-site evaluations of pickups and contractor field teams before they begin their workday, which prevents inadequate planning and ensures that all pertinent implements are available and safety measures are adopted.

Over 32 contractors were subject to Enel Chile's disembarks in 2019, reaching a universe of over 2,500 workers.

# Safety Management Digitalization

Enel Chile acknowledges technological innovation as a fundamental tool in improving Health and Safety procedures. Thus, several safety risk management processes have been digitalized, of which the following are noteworthy:

## HSEQ 4U

The HSEQ 4U application offers a mobile digital platform to report safety and environmental events. The app allows workers -internal and external- to immediately indicate the occurrence of any event, such as accidents, near miss, safety observations, environmental warnings, among others.

All contractor employees working for Enel Chile received training and information regarding health and safety from their employer.

## Formation of Immigrant contractor employees

During 2019, Enel Distribución Chile and Enel X trained over 100 immigrant workers hired by external companies in their native language. Enel Chile defined the contents and skills of the training program to be provided by a Technical Training Organization ("OTEC" in its Spanish acronym). The objective of this program is to help foreign workers that speak a different language understand the tasks they are hired to perform, and therefore execute them in a safer manner.

## Developing a safety culture: formation and information

During the year, several health and safety communication campaigns have been carried out in customer service areas of the Company. Communications have focused particularly on matters related to personal health and most common illnesses, such as high blood pressure, hepatitis, smoking, cardiovascular disease risk factors, skin cancer, among others. Communication campaigns were carried out through news publications on the Company's intranet as well as through specific EnelTV services.

**SHE 2019** is the continuation of the SHE 365 project created in 2018, in which Company employees and suppliers participated with initiatives related to safety, health, and environmental care. In 2019, this concrete and operational corporate commitment took on greater relevance, strengthening three of its main guidelines:

- > **Commitment Chain:** seeks to channel actions that focus on reducing major accidents and fatalities, particularly those that change employees' lives.
- > **Business Line Integration:** brings country and regional prevention efforts together, increasing synergies of individual actions.
- > **Contractors' Commitment** to improve the safety standards of companies working for Enel Chile.

## Community and third-party safety

Enel Chile's generation units are built throughout the country following legal requirements and complying with the highest technical standards. Power plants, machinery, and equipment are subject to systematic and periodic maintenance checks to ensure their proper functionality.

In order to guarantee health and safety and reduce the impact of the industrial activity on the surrounding environment, the Company carries out periodic measurements of noise, vibration, and dust produced by power plant machines, and distribution and processing cabinets. The following environmental conditions are also supervised: emissions and air quality, electromagnetic fields created by electricity distribution plants, and discharges into surface waters, in addition to water quality and waste production, recycling, reusing, and waste elimination, soil quality and potential impacts on biodiversity.

These measurement programs allow maintaining risks under control and within legal limits, aimed at safeguarding and guaranteeing the safety communities neighboring the Company's production facilities .

After the Coronavirus (COVID-19) outbreak in China in late January and its subsequent spread to the rest of the world, Enel quickly activated actions in its areas of operation to reduce the risk of contagion, and at the same time, guarantee electricity supply. A Global Task Force was also created to coordinate activities and establish any necessary measures that may need to be applied alongside specialized teams from the different countries and areas where the Company operates.

## Labor relations regarding health and safety

Enel Chile encourages social dialogue and the participation of employee representatives to consolidate a culture of safety and promote behavior that is coherent with the principles that inspire the Company's policies. To this end, several committees have been created that include the People and Organization Departments' senior executives, responsible for the follow-up of initiatives and projects related to the employee health and safety throughout the country and by business line. The committee examines projects proposed to improve safety norms, formation programs and prevention initiatives.

In Chile, all production centers with more than 25 workers have joint hygiene and safety committees, who gather once a month to create health and safety initiatives, complying with the annual work plan.

Activity/Goal	2019 Result
21 Extra Checking on Site.	15 ECoS were implemented in 2019.
17 prevention and health promotion programs.	51 (16 in Distribución, 22 in Enel X, 10 in Enel Green Power, and 3 in Thermal Generation).
Accident rate reduction compared to previous year (IF - frequency index, IG – Severity index, in their Spanish acronyms)	IF: 0.76 (3Q2019) vs. 1.08 (2018) IG: 0.039 (2019) vs 0.065 (2018)

46 For additional information see Chapter Environmental Sustainability on page 225.



# Environmental Sustainability

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As part of its commitment to operate with high environmental standards and in harmony with its natural environment, Enel Chile's management operates within an environmental governance model that creates the incentives to go above and beyond compliance with referential regulation, and find innovative solutions to environmental management issues throughout its production chain in the territories in which it operates.

## Environmental Governance

Enel Chile enforces two formal policies approved by the Board of Directors in 2018 that consolidate its commitment to environmental care and natural resource<sup>47</sup> conservation: [The Environmental Policy](#) and [the Biodiversity Policy](#). These policies are implemented through an Integrated Management System using procedures and tools that allow identifying, monitoring, and continuously improving environment variables of the Company's operations.

The Company is also constantly monitoring compliance with environmental legal obligations and voluntary commitments, including those assumed by subsidiaries in processing new project. The environmental departments of each business line lead and manage compliance with these requirements with the support of the Integrated Management System.

### Environmental Policies

Environmental care and natural resources are considered strategic factors in planning, developing, and executing Enel Chile's and its subsidiaries' activities. Enel Group's Environmental Policy<sup>48</sup> is based on four basic principles

- Protect the environment by preventing environmental impact
- Improve and promote environmental sustainability of products and services
- Create shared value for the Company and stakeholders
- Adopt and comply with voluntary commitments while promoting ambitious environmental management practices.

The policy also establishes ten strategic operational objectives, among which "exceeding legal requirements" is noteworthy. The Company is committed to voluntary actions and behavior that protect the environment even though such actions and behavior is not required by domestic law.

<sup>47</sup> Enel Chile's environmental policy extends across the entire value chain and applies: to all the production phases of every product and service, including distribution and logistic phases, in addition to related waste management; to each site and building; all the relationships with external stakeholders; all mergers and acquisitions; every key business partner (including partners related to non-managed operations, joint ventures, outsourcing or third-party producers); every supplier, including service and contractor suppliers; all due diligence processes as well as and Merger and Acquisition processes.

<sup>48</sup> <https://www.enel.cl/content/dam/enel-cl/en/sustainability/environment/environmental-policy/Environmental-Policy-EnelChile.pdf>

## Integrated Management System

Under the scope of the Company's Environmental Policy, specifically regarding its first strategic objective, Enel Chile has implemented an Integrated Management System ("SIG", in its Spanish acronym) that allows organizing, documenting, and improving Company procedures, activities, and operations across all subsidiaries, as well as measuring environmental, health, occupational safety, and quality performance indicators. The international norms adopted by the Integrated Management System (SIG) are the following:

### ISO Certifications

		Certifications obtained per Company			
		Enel Generación Chile	Enel Distribución Chile	Enel Green Power	Enel X
Norm implemented	ISO 9001:2015 Quality Management System	■	■	■	■
	ISO 14001:2015 Environmental Management System	■	■	■	■
	ISO 45001:2018 Occupational Health and Safety Management System	■	■	■	■
	ISO 50001:2011 Energy Management System	■	■	■	■

The policy also establishes ten strategic operational objectives, among which "exceeding legal requirements" is noteworthy. The Company is committed to voluntary actions and behavior that protect the environment even though such actions and behavior is not required by domestic law.

## Noteworthy Environmental Awareness Projects



### GENERATION

#### Environmental Training Plan:

Instructs internal and external workers on several environmental subjects, such as noise monitoring and compliance with environmental authority requirements regarding power plants and Environmental Qualification Resolutions (RCA, in its Spanish acronym), among others.

#### 2019 Environmental Awareness Program:

Program to raise awareness through a diverse set of activities, including environmental days, biodiversity fairs and photographic exhibits, to educate workers on environmental issues. Additionally, recycling points were installed in Company facilities seeking to reduce the amount of waste sent for final disposal.



### ENEL X

#### Environmental Management Plan for Contractors:

This initiative considers the identification and assessment of environmental impacts caused by contractors' activities. This plan is implemented through periodic formation, inspection, and control visits performed with the support and advice of professionals from Enel X's environment department. By the end of 2019, all contractors implemented an Environmental Management Plan, and 35% of them are in the process of being certified under ISO 14:001, [for evaluating its relevance and implementing operational.

#### Environmental training plan for external workers:

This plan seeks to provide supervisors of contractor companies the environmental skills they need to have a comprehensive view of safety, health, and environmental issues, and apply such skills when supervising activities performed at worksites on behalf of Enel X. The Plan considers a diagnosis of environmental competencies, training in the respective subject matter, on-site controls and inspections measuring the efficacy of the training provided and reinforcing necessary aspects at each contractor's site. During 2019, greater efficiency has been achieved in the implementation of operational controls that allow reducing environmental emergency risks.



### DISTRIBUTION

#### Enel's Environmental School for contractors

Enel Distribución Chile implemented the Enel Environmental School to standardize environmental knowledge among environmental specialists from contractor companies. They must have the knowledge to guarantee, strengthen, prevent, and reduce the environmental impacts caused by the operations stipulated in their contracts. For 13 months, Company experts taught three-hour monthly classes on policy and procedures, the Integrated Management System, permitting, operational control, environmental sustainability, among other subjects.



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# Water Resource Management

Faced with the country's water shortage crisis, Enel Chile's Environmental Policy includes commitments regarding efficient use of water. Water is mainly used as a resource in thermal power plants, which are supplied from the sea, according to maritime concessions, or from wells with water rights owned by each power plant. In addition, the Integrated Management System's controls and policies are key in optimizing and reducing water consumption, as well as in preventing its pollution. This is how the Enel Group plans to reach its goal of reducing specific water consumption by 30% by 2020 when compared to 2010, with Enel Chile contributing towards this goal.

## Thermal Generation water consumption

		2017	2018	2019
<b>Water Consumption<sup>1</sup></b>				
Total Municipal Water Supply (or other water service providers)	MMm <sup>3</sup>	0	0	0
Surface freshwater (lakes, rivers, etc.)	MMm <sup>3</sup>	0	0	0
Underground freshwater	MMm <sup>3</sup>	5.40	5.42	5.97
Total net freshwater withdrawal	MMm <sup>3</sup>	5.40	5.42	5.97
From unlimited water sources (ocean water)	MMm <sup>3</sup>	0.60	0.51	1.03
Residual Water (used in power plants)	MMm <sup>3</sup>	0	0	0.004
Total Water Intake	MMm <sup>3</sup>	6.00	5.93	7.00
Cooling	MMm <sup>3</sup>	697.40	558.70	793.17
Residual Water (discharged volume)	MMm <sup>3</sup>	700.09	561.90	796.35
Net Water Consumption	MMm <sup>3</sup>	3.31	2.73	3.82 <sup>2</sup>

1 The difference between 2019 figures when compared to previous years is due to the different data collection methods after introducing a new environmental data tool. The figures were obtained using a new GRI 303 rule for water withdrawal and discharge.

2 The difference between 2019 figures when compared to previous years is due to an in thermal electricity generation and a different generation mix.

### Water Consumption in areas with water shortage

		2017	2018	2019
Total Municipal Water Supply (or other water service providers)	MMm <sup>3</sup>	0	0	0
Surface freshwater (lakes, rivers, etc.)	MMm <sup>3</sup>	0	0	0
Underground freshwater	MMm <sup>3</sup>	4.74	4.93	5.43
Total net freshwater withdrawal	MMm <sup>3</sup>	4.74	4.93	5.43

The water supply for Enel Distribución Chile facilities comes from Santiago's drinking water networks.

### Water Consumption in Enel Distribución Chile Facilities

	2016	2017	2018	2019
Water (m <sup>3</sup> )	74,175	76,232	46,327	63,160

## “Greener Water” Environmental Innovation Project

In 2019, Enel Distribución Chile set a goal to improve its environmental management by reducing its hydric footprint through a more efficient use of water at electrical substation offices. The Company's contractor, Ingesat, participated in the “Environmental Innovation Idea” contest, with a project to reuse gray water to irrigate wooded areas or humidify workspaces and would also reduce particulate matter emissions. The project was implemented in the Chacabuco substation and included the installation of a filter in the office's shower. Water captured in then filtered and used to irrigate approximately 37 trees in a 500 m<sup>2</sup> area.

## Automatic Irrigation for Soccer Field No 2, Enel Stadium

Enel Chile's Services department began the installation of a technical irrigation system for the Company's Soccer Field No.2 in mid-2019, replacing the manual irrigation system and reducing the use of drinking water by 30%. This reduction translates into a 3,580 m<sup>3</sup> savings per year and allows for more homogeneous field irrigation. Automatic irrigation also allowed irrigating the field at night to optimize water consumption, and a controller was incorporated to adjust irrigation according to the seasons.

Additionally, Enel Generación Chile is continuously optimizing its use of water in hydroelectric plants by improving and updating technology and relying on thermal, wind, solar, and geothermal generation.

From a technical standpoint, efforts are centered on developing projects focused on saving and optimizing water use to produce the same amount with less water, through different measures such as the following:

- > Improvements to water metering and monitoring of reservoirs, canals, and generation units, to detect possible losses or nominal value deration. This includes incorporating flow meters in turbines, level measurements, reservoir gauging, and load chambers.
- > Repowering turbines and generators to improve power plant performance through a higher conversion factor [MWh/(m<sup>3</sup>/s)].
- > Optimization of hourly generation of power plants within the same basin and an economical distribution of load among the generation units of the same power plant.

In addition to what was described above, the Enel Group has implemented the **Hydro Prevention Plan – Oil Spill Risk** in its hydroelectric plants worldwide to reduce the risk of contamination due to oil spills.

## Hydro Prevention Plan - Oil risk spillage

In order to improve environmental standards and reduce the risk of oil spills into water and soil, in 2019 the Enel Group Health, Security, Environment, and Quality (HSEQ) department requested its companies to create a Prevention Plan to reduce the risk of oil spills in their hydroelectric plants. The pilot program was launched in Italy and Spain. In August 2019, staff from the Operations and Environment departments of all Enel Generación Chile hydroelectric plants worked together in gathering data to identify equipment that use oil and could be subject to spills and defined the environmental risk they pose. For equipment defined as critical, Action Plans were formulated including improvement plans or oil changes that must be included in future budgets.

Enel Distribución Chile implemented the “Greener Water” project, which reutilizes gray water from power substation facilities.



# Energy and Emissions Management

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Emissions are understood as continuous or discontinuous discharges of matter, substances, or forms of energy into the atmosphere from any source capable of producing atmospheric pollution, either directly or indirectly. Current legislation requires controlling and reducing emissions, either acoustic, electromagnetic, gaseous, or particulate matter, among others.

Fuel used in thermal power plants was greatly reduced in 2019 due to the maintenance and improvement strategy implemented in all thermal units. Some worth noting are the optimization of start-up times, the reduction of environmental overshoot times at start-up, the operation of gas turbine units with load asymmetry, the reduction of electric power consumption by cooling steam turbines naturally, and the coupling of boilers in dynamic charges. All these initiatives allow dispatching in cycling mode and directly contribute to reduce fuel, electricity, and electrical auxiliary consumption, in addition to increasing operative flexibility and providing more reliable and efficient processes for the safety of the National Electric System ("SEN", in its Spanish acronym). The renovation of the Siemens purchasing system and the emissions data collection systems (San Isidro, Quintero, Taltal) were also finalized this year.

Thermal power plants are considered an important source of atmospheric emissions, as their source of energy is gas or coal. Thermal generation represented 34% of Enel Chile's total electricity generation in 2019, of which 55% was produced by gas-fired power plants and 45% by coal-fired plants. Consumption of these fuels is detailed below<sup>49</sup>:

## Thermal Generation fuel consumption, in TJ

	2016	2017	2018	2019
Coal	31,652	28,093	25,665	26,461
Fuel oil	0	84	41	0
Natural Gas	32,029	33,955	24,157	6,365
Gas oil	8,834	2,889	1,046	398
Lignite (brown coal)	0	0	0	0
<b>Total</b>	<b>72,515</b>	<b>65,021</b>	<b>50,912</b>	<b>33,224</b>

One way of evaluating the performance of the Company's power plants is using the operational efficiency indicator, which measures the ratio between net energy produced in the form of electricity and energy provided in the form of fuel. For Enel Chile, the average efficiency of thermal power plants was 43.7%, broken down as follows:

## Energy efficiency of thermal power plants

	2016	2017	2018	2019
Net efficiency of coal-fired plants	36%	35.7%	37.3%	37.7%
Net efficiency of gas-fired plants <sup>50</sup>	41.8%	46.1%	47.9%	51.7%

<sup>49</sup> For 2019 Enel Chile atmospheric emissions see Appendix page 267

<sup>50</sup> Includes open cycle and closed cycle gas fired power plants

Other Uses	2016	2017	2018	2019
Fuels (toe) <sup>51</sup>	274,95	355,12	424,15	11,63

## Acoustic and electromagnetic emissions measurement and mitigation

### Noise mitigation in Parque Renaico

In response to charges presented by the Superintendence of the Environment ("SMA" in its Spanish acronym) related to noise emissions, archaeological issues, and works over the canal in the Parque Renaico wind farm, the Company set out to coordinate its units and elaborate a compliance plan that established the following actions, among others: the implementation of Noise Reduction Methods (NRM) noise reduction elements (STE - Serrated Trailing Edge), and a new monitoring definition to achieve better measurements and parameters.

### Actions at Substations

In 2019, Enel Distribución Chile continued implementing the Triannual acoustic and electromagnetic emissions measurement and management plan in its substations. Acoustic emissions were measured in 10 substations, and no breaches to Noise Emission Regulation (Supreme Decree N°38/2012) were detected. Should a noise pressure breach be detected, an external company would be contacted to perform the measurement, as established by Supreme Decree 38. Regarding electromagnetic emissions ("CEM" in its Spanish acronym), measurements were performed in nine transmission line and substation points. No breaches to regulation set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) were detected. The CEM data collected for high, medium and low voltage lines is available in database format for third party queries.

<sup>51</sup> To improve comparability, the figures of previous years were recalculated using current criteria. Some figures differ from those previously reported due to criteria changes or involuntary omission.

# Waste Management

Enel Chile's Environmental Governance policies and processes allow optimal management of waste and discharge related to the Company's operations and processes. This implies actions that reduce waste production and the pollutant effects of discharge, among other aspects. Thus, in 2019, the Enel Group implemented Policy N° 473 Waste Management Guide (hazardous and non-hazardous), which is based on the reality of the countries in which it operates, including Enel Chile. The Enel Group has established a goal to reduce total waste by 40% by 2030, when compared to 2017. Enel Chile, as part of the Enel Group, is contributing towards accomplishing this goal by developing plans and programs to this effect. It is worth noting that Enel Chile does not handle any radioactive waste.

During 2018, Enel Chile began the **Zero Waste Challenge** program to reduce the amount of oil, scrap metal, and electronic waste. Its 2019 results have been promising, as the amount of waste for final disposal was reduced. Throughout the year, and within the framework of the Environmental Awareness Program, 149,310 kilograms of scrap metal and other materials in disuse were reappraised, totaling 378,710 kilograms in 2018 and 2019, in addition to 7,851 liters of recycled oil. Similarly, waste (packaging wood) was reduced due to recycling with communities that made use of the waste.

In 2019, Enel Chile also purchased **Organic Waste Reducing Equipment** to process approximately 500 kilograms daily of organic waste generated in the corporate building's cafeteria. This project also seeks to eliminate the emission of 750 tons of CO2 a year produced by its transport, and the use of 480 garbage bags a year, which is equivalent to 45 kilograms of plastic a year.

In addition to these initiatives, each subsidiary implemented projects to reduce and manage their waste.

## Enel Generación Chile

- Valuation of synthetic gypsum and ashes from Units 1 and 2 of thermal power plant, Bocamina:** In 2019, the valuation of synthetic gypsum and ashes as thermoelectric generation byproducts increased by 64%, totaling 95,225 tons. Selling these materials avoids final disposal of such waste and the respective final disposal costs. To date, 56% of the ashes produced by these two units has been reutilized, as opposed to 35% in 2018.

Waste Generated (t)	2017	2018	2019
Residual ashes and gypsum	169.525	164.983	169.839
Revalued ashes and gypsum	15.563	58.056	95.225

## Enel Distribución Chile

- **Digitalization of Environmental Inspections:** A mobile app was implemented to perform environmental inspections. The app is available for Company staff as well as contractor employees. Enel Distribución Chile aims at eliminating the use of paper in these activities, as part of its Zero Paper policy.
- **Environmental Innovation Project “Fireproof Clothing Recycling”:** Fireproof clothing is resistant to heat and fire. With time, it ceases to meet safety standards, and is therefore eliminated for final disposal. Through the “Environmental Innovation Ideas” contest, contractor company, Provider, proposed generating circularity by including this waste material as a new product to store other safety items, such as masks, gloves, and lifelines. This project allows cost savings and contributes to social development by creating new jobs in washing clothing and making new products.

## Enel X

In 2019, Enel X participated in the Electric and Electronic Waste (“RAEE” in its Spanish acronym) discussion panel organized by the Chamber of Commerce of Santiago, which allowed knowing about the constructed RAEE waste baseline. According to the Producer Extended Responsibility Law (“REP” in its Spanish acronym), the volume and quantity of RAEE produced by Enel X does not make it a relevant producer of this type of waste, and therefore is not considered within the scope of the Clean Production Agreement for generation companies. However, reducing raw material extraction and fossil fuel consumption, extending the useful life of products, and recovering and recycling materials is part of Enel X’s mission, which is why it proposed to act as a Booster. Boosters act as circularity accelerators within a new circularity system of suppliers and customers, fulfilling a unique and innovative role in the market. This will reduce the environmental impacts produced throughout a product’s useful life and will serve as a transparency tool so customers can easily identify sustainability characteristics when comparing the different solutions offered.

		2017	2018	2019
Hazardous Waste Produced		1,339	1,986	968
Non-hazardous waste: Ashes	Ton	169,525	164,983	169,839
Non-hazardous waste,	Ton	222,928	315,649	128,170
<b>Total waste produced</b>	<b>Ton</b>	<b>393,792</b>	<b>482,618</b>	<b>298,977</b>
Non-hazardous waste recycled or sent to recovery	Ton	41,401	60,265	99,332
Hazardous waste recycled or sent to recovery	Ton	31	42	67



# Circular Economy

Circular Economy is defined as the transformation of the business model through innovation to decouple economic growth and value creation from natural resource exploitation. This transformation allows reducing the use of raw materials and the production of waste to maintain the value of a product throughout its useful life.

This model has been recognized as one of the main ways to fight climate change. To achieve this, the Enel Group has defined 5 pillars, or business models, to be used throughout its value chain.<sup>52</sup>

## Enel Generación Chile

A Circular Economy greatly benefits climate change mitigation and prevention, which is why it is essential to consider the life of a project from all perspectives and apply measures from the simplest to the most complex.

### **Sierra Gorda Power Plant Maintenance**

A local company from Calama was hired to carry out maintenance, which provided a long-term vision of waste management and therefore nearly 28,000 liters of oil from this power plant was recycled.

### **Photovoltaic Plants Technical Report**

In light of the strong growth that PV Solar technology will have in the country, a technical report has been developed to reveal the volume of solar panels that will be disposed of as waste at the end of their useful life, as well as potential markets for their components. This will help find an efficient and effective solution for panel recycling.

To promote this transformation, Enel Chile has incorporated practices and tools to understand the environmental footprint of their power plants, products, and services, such as the Life Cycle Analysis and the Integrated Model for Environmental Measurement.

## Life Cycle Analysis (ACV)

An environmental sustainability management procedure carried out for operational activities which involves identifying and measuring the environmental impacts generated by every stage of the development process of Enel Chile's products and services. The Life Cycle Analysis ("ACV" in its Spanish acronym) performs a comprehensive examination of material and energy inflows and outflows throughout the entire value chain of a product or service, identifying sources of environmental impact. This information may be used to design adequate environmental strategies or to be shared with stakeholders.

<sup>52</sup> For additional information on the five pillars or business models that may be involved in the different stages of the value chain, see page 35.

## Integrated Model for Environmental Measurement (MIMA)

The Integrated Environmental Measurements Model ("MIMA" in its Spanish acronym) is a specific instrument developed by Enel Chile to perform life cycle analyses. It is a digital platform that integrates sustainability and environmental requirements to calculate environmental footprint. Environmental impacts, such as the carbon or water footprint throughout a project's life cycle are measured using MIMA, which complies with ISO 14,040 regulation that establishes the principles and framework for environmental management based on ACV. The Integrated Environmental Measurements Model allows monitoring and managing various environmental and sustainability indicators in real time and also generates automated reports. This improves the efficiency and traceability of environmental information throughout the value chain of products and services and improves the ability to detect processes that are critical due to their environmental impact, such as processes that use an important amount of raw materials or create a considerable amount of waste.

This information also has a central role in establishing strategies that reduce the impact of future projects as such information is introduced in the initial engineering phase of projects.

### Circular Economy in Integrated ACV and MIMA process





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# Biodiversity Management

Enel Chile seeks to respect the “mitigation hierarchy” principle, which focuses first on preventing negative impacts on biodiversity, and if not possible, seeks to mitigate and remedy their effects. Lastly, negative residual impacts must be compensated through the implementation of measures that respect the “no net loss” principle of Biodiversity, and when applicable, the positive net balance.

Another good practice is to perform preliminary impact studies for each new facility including a systemic evaluation of possible effects on ecosystems to avoid operating in areas with high Biodiversity value and adopting the best possible solutions to mitigate potential impacts on biodiversity in all territories.

## Biodiversity

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Mammals

Bats

Birds

Fish

Amphibians and reptiles

Flora

Terrestrial ecosystems

Aquatic ecosystems

Wet zones

Country	Projects		Projects by category			Species involved
	Number	Of which voluntary	Monitoring	Restoration (habitat)	Conservation (species)	Class
Chile	15	13%	10	3	1	

The Red List, which is drawn up by the International Union for Conservation of Nature (IUCN), provides information on the conservation status of various species.

Extinct (EX)

Extinct in the Wild (EW)

Extinct in the Region (RE)

Critically Endangered (CR)

Endangered (EN)

Vulnerable (VU)

Near Threatened (NT)

Least Concern (LC)

Habitats affected	Number of threatened species					Country
	Type	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	
	-	4	7	2	17	Chile

## Biodiversity Policies

Delving into one of the strategic objectives stipulated in the Company's Environmental Policy, - Location of facilities and buildings, protecting territories and biodiversity – Enel Chile's Biodiversity Policy identifies six practices that must be carried out when developing all activities. These practices contribute and are aligned with the international standards and principles described in the Convention on Biological Diversity (CBD) and the Strategic Plan for Biodiversity 2011 – 2020, of the United Nations, the Aichi Biodiversity Targets of the CBD, and the National Biodiversity Strategy 2017 – 2030, approved by the Ministerial Council for Sustainability of the Government of Chile.

Specifically, Enel Chile will:

1. Manage its activities according to the "mitigation hierarchy" principle, which first prioritizes preventing negative environmental impacts; secondly, if these impacts are impossible to avoid, reduce and mitigate them; and finally, compensate for their negative environmental impacts.
2. In case of residual impacts, implement compensatory measures that respect the "not net loss" biodiversity principle, and when possible and applicable, achieve a positive net balance.
3. In the study of new facilities, include a systemic evaluation of their effects on ecosystems, its biotopes, flora and fauna species, to avoid operating in areas with high biodiversity conservation value, and to adopt the best possible solutions to reduce pressures and impacts on biodiversity everywhere.
4. Cooperate with local communities, academic institutions, and NGOs to appraise biodiversity and develop studies and projects for its conservation and ecosystem restoration.
5. Monitor the efficacy of actions implemented.
6. Inform on its performance regarding biodiversity on a regular basis.

The main projects developed in this area in 2019 are the following:

## Enel Generación Chile

- **Pilot Device for Remote Sensing of Bats:** Project under development that will allow creating an integrated data storage and analysis system whose final objective is to reduce the amount of bat collisions with wind generators in the Parque Renaico wind farm. The project is supported by the MYOTIS Company and a specialist from Chile's National Bat Conservation Program, and is divided into three stages: i) development of a functional prototype of the main component of the bat detection system; ii) development of software for the storage, analysis, and presentation of gathered data; and iii) final equipment models and network hub. During 2019 progress was achieved in the first stage.
- **Air Quality monitoring program, through monitoring stations and representative vegetation plots in the Pajón Coastal Desert:** Every six months, as required by authorities, biotic and abiotic parameters are monitored in 14 sample plots. In 2019, no negative effects from emissions were detected in the power plant's vicinity.

- **Least Tern protection campaign against light pollution:** Central Tarapacá voluntarily joined other public services and social organizations in a regional initiative that seeks to prevent baby least terns from falling by reducing the light pollution effect on the species. Simple actions such as modifying the orientation of existing lighting in the plant and reducing luminosity or shutting lights off at night, avoids attracting these birds. These actions were carried out between March and May, which are the months that register the highest number of least tern falls. Additionally, the Company records and report least tern falls and supports environmental education and awareness among workers and the community.

## Enel Distribución Chile

- **Urban woodland and distribution networks harmonization project:** Protecting power lines is essential in safeguarding the continuity of electricity supply. Therefore, Enel Distribución Chile, along with Municipalities and the community, developed a pilot project in 2019 that seeks to harmonize existing urban woodland in all 33 counties where it operates. The project involves selecting a block where neighbors identify the greatest number of malfunctions due to contact between power lines and trees. Once this block is identified, a specialized company conducts an evaluation of the health of the trees, and decides whether they should be removed, relocated, or trimmed. If they are to be removed, they are replaced with native, high temperature-resistant trees with low water requirements and height that will not interfere with power lines if formative pruning is performed. The Samuel Izquierdo area of Quinta Normal county was the first area selected, and with the support of the Municipality and the community, 17 sickly trees were replaced by 21 native trees, improving safety conditions by reducing the risks related to feeble urban woodland.

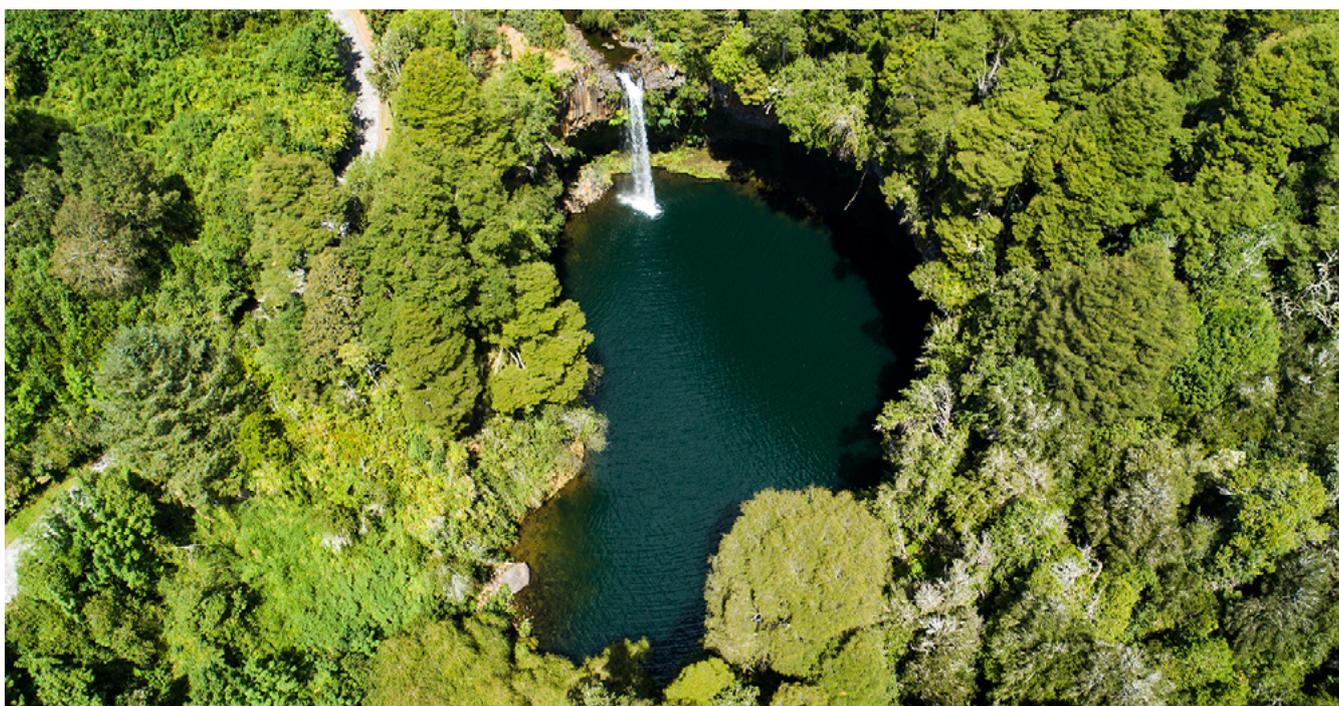
# Environmental Practices for natural resource preservation

## Ecosystem Services Study

Ecosystems are configured as the sum of natural assets plus the natural flows and exchanges happening among them. Ecosystem services are services, resources, and/or processes provided by ecosystems that benefit human beings or society.

Enel Chile has industrial presence throughout Chile, where it owns a considerable amount of land. Much of this land has high ecosystem value, given their geomorphologic conditions, social functionality, and biodiversity. This is why the Company, within the framework of its commitment to natural resource preservation as stated in its Environmental and Biodiversity Policy, has decided to study some of these lands in an effort to identify, prioritize, and value the ecosystem services provided, to generate a sustainable and valued management proposal. To do so, the Company will employ the methodology defined by the Natural Capital Protocol published by the Natural Capital Coalition.

Consequently, in 2019, the Company launched the study of seven plots of land, amounting to a total of 8,500 hectares, to identify existing natural resources and value the contribution made to society by maintaining, managing, and safeguarding them.



## Hydro energy by design

Several hydroelectric power plants operate in the Maule river basin, whose long-term sustainability must be compatible with the protection of natural and social capital in the area. This has been widely backed by recent environmental and materiality studies that show that environmental issues such as responsible use of water or mitigating environmental impacts are among the top priorities of relevant stakeholders.

Within this context, the Hydro energy by Design project consists of investigating the conservation potential of natural areas functional to water conservation and defining a collaborative action plan to implement in the medium-term. The methodology used considers several stages to design a plan to preserve these areas.



The first two stages of the study were carried out in 2019. The first stage involved the collection of primary and secondary information to identify potential preservation objects. The second stage consisted of internal activities to prioritize and validate the most relevant ones.

# San Ignacio de Huinay Foundation

The San Ignacio de Huinay Foundation, established in 1998, has developed several studies at its own Scientific Research Center, in collaboration with other national and international university research centers. Located in a 34,000-hectare territory on the coast of the Comau fjord in the Chilean Patagonia, the foundation has become a renowned platform for research on fjord ecosystems in the region.

Research is mainly steered towards biodiversity studies, among which the following stand out:

- > Biogeographic study to understand and define the distribution of marine species in the Chilean Patagonia.
- > Study on the causes, effects, recovery, and resilience of cold-water Corals, to understand the cause behind their mass mortality.
- > Study on key abiotic factors affecting the composition of species in fjords in the Chilean Patagonia.
- > Impact study on the effects of Patagonian glacier melting on biodiversity.
- > Long-term benthonic monitoring of the Comau fjord, including photographic records since 2003, underwater recruitment tiles since 2009 and fixed frames since 2014.
- > Research on whale mortality

The purpose of the Foundation is to understand the structures and dynamics of ecosystems in the Chilean Patagonia through scientific research projects and share the knowledge to service and benefit society. At the same time, the Foundation intends to become a national and international scientific research leader, a beacon for studies on climate change, and a promoter of education, conservation, and sustainable development in the region and in the country.



Starting in 2019, and together with the Pontifical Catholic University of Valparaíso, founding co-partner of the Foundation alongside Enel Generación Chile, designed a new plan for the Huinay Scientific Research Center to develop a Program for the Observation of Terrestrial and Marine Ecosystems ("POETA" in its Spanish acronym) in the Chilean Patagonia. This program is developed within the Open Science concept framework, which puts the results of its research to the service of the scientific and non-scientific community. This new plan, along with the scientific research pillar, also focuses on climate change awareness, which is put into practice with the Huinay Summer School, to be offered in 2020.

# 2019 Environmental Litigation and Disputes

In April 2019, Enel Generación Chile received an indictment from the Superintendencia of Environment (“SMA” in its Spanish acronym) regarding the Ralco Hydroelectric Power Plant, specifically referring to reforestation and ecological flow measurement reports required by environmental authorities. On May 9, the Company submitted a Compliance Program, which was approved by the SMA on September 6, 2019, and is currently being executed.

In March 2019, a proposal was submitted to the Chile National Contact Point (NCP) of the OECD on behalf of 103 individuals regarding the Ralco Hydroelectric Power Plant, accusing the Company of violating OECD principles. Enel Chile responded to the NCP stating that it complies with the respective obligations and respects the principles in question. This proceeding is currently pending.

The Compliance Program submitted by the Company for the Cerro Pabellón Geothermal Power Plant was not approved by the SMA in December 2018, and after all appeals were denied, in June 2019, the company submitted its discharges to the regulatory authorities for the sanctioning procedure.

Nine environmental litigation proceedings were filed in 2019. Two of them are related to environmental damage, one against Bocamina thermal power plant and one against Quintero thermal power plant; three are non-contractual liability lawsuits against Bocamina thermal power plant and Ralco (1); one criminal suit currently in conditional suspension of prosecution against Bocamina power plant; and an illegal tree cutting complaint in the Los Cóndores transmission Line. All these proceedings are currently pending, and are detailed below:

1. Environmental damage motion presented against the operation of Bocamina I and II Power Plants, owned by the defendant. The motion consists of three lawsuits joined into a single proceeding, presented by individuals and seaweed fishing unions. The lawsuits ask for environmental repair (not compensation for damages). An unfavorable ruling on December 31, 2018, dictated the existence of environmental damage to the air, and orders the reduction of particulate matter emissions by 30% (calculated using an unrealistic total from a third party's report), which is equivalent to reducing annual particulate matter emissions in both plants to 86 tons, which is costly and complex. The ruling also orders a Compliance Program explaining how Enel will abide by the ruling be presented (which has been submitted and approved by the Court), fulfilled within a year. An annulment appeal was filed in the Supreme Court, regarding form and substance, which is currently pending court resolution.

2. Environmental damage motion presented against the operation of the Quintero Power Plant, owned by ENDESA (Enel Generación Chile S.A.). ENDESA and other owners of industrial projects (Complejo Industrial Ventanas) are being sued for the alleged environmental damage caused by the operation of the Quintero Power Plant to the Quintero bay, to the soil, the air, and the marine biome due to emissions, and seeks to declare the existence of environmental damage and its reparation. The process is currently awaiting a Hearing date to present testimonial and expert evidence.
3. Criminal investigation led by the Local Prosecutor of Talcahuano regarding heavy metals. The investigation began in 2012 because of alleged environmental damage to the Coronel Bay in the Biobio Region. On October 19, 2018, the Court approved an agreement between the Prosecutor's Office and Enel Chile to suspend the criminal proceeding, and that Enel Generación Chile commit to improve the standards of its ash landfill closing projects.
4. A non-contractual liability lawsuit was presented against Portuaria Cabo Froward S.A., and collectively against Enel Generación Chile S.A. seeking payments of Ch\$ 25,000,000 for each plaintiff for hedonic damages due the impact of the unauthorized on-site storage of coal on the health of the Cabo Froward community. The motion is currently awaiting sentence.
5. A non-contractual liability lawsuit was presented against Enel Generación Chile S.A., seeking payments of Ch\$ 30,000,000 for each plaintiff. They are asserting that the Bocamina I and II thermal power plants have affected the health of their community.
6. A non-contractual liability lawsuit was presented against Enel Generación Chile in the Letters Courts for damage to the quality of life (volatile coal pollution, noise, ash falling on homes, and heavy metal emissions) of the residents of Coronel.
7. A non-contractual liability lawsuit was presented against Enel Generación Chile that asserts that because of activity in the Ralco Hydroelectric Plant, hot springs used by the plaintiff for business and touristic purposes were flooded (Núñez v. Enel). The case is entering the Evidence stage.
8. Two complaints have been filed by Conaf for illegal logging of native forests in Colbún and are still being processed.

# Environmental Fines

	2016	2017	2018	2019
Number of Fines	0	0	1	2
Fines (Ch\$)	0	0	7,181,310	12,307,050
Provision (Ch\$)	0	0	0	0

Actividad/meta	Resultado 2019
A reduction in total waste sent for final disposal. 20% of waste generated in renewable energy power plants.	<b>23,5%</b> of waste was sent to landfills, as opposed to 38,1% in 2018.
Increase the percentage of revalued gypsum and ash.	<b>64%</b> increase in the amount of gypsum and ash valued (99,332 tons in 2019 vs. 58,056 tons in 2018).
Reduce the carbon footprint according to GHG Protocol standards.	Currently calculating carbon footprint to establish a 2019 base value.
Launch 4 Circular Economy projects in business lines <sup>53</sup> .	<b>3</b> projects were launched in Infrastructure and Networks, Thermal Generation, and Renewable Generation.
Implement the Integrated Model for Environmental Measurement (MIMA) in 20 renewable power plants.	MIMA was implemented in 14 power plants (12 currently operational and 2 under construction).

53 For more on Circular Economy projects implemented in 2019, see chapter Open Innovability and Digital Transformation on page 102.

# Sustainable Supply Chain



102-9 | 102-10  
103-2 | 103-3

Fostering sustainability in the Company's supply chain is a central aspect of its business model, as it allows improving service quality and reducing costs and risk, among other key factors. This requires an adequate management of Enel Chile's procurement chain, which implies implementing responsible practices in the processes of acquiring goods and services and by considering suppliers and contractors as strategic business partners, thus strengthening the local industry. More specifically, the Company is following the Enel Group's guidelines and is implementing a strategy to foster a sustainable supply chain founded on three main pillars: sustainable criteria in the supplier selection process (environment, health and safety, and Human Rights, among other aspects), promotion of a Circular Economy, and the development of suppliers' skills.

## Procurement Pillars



### Partnership with suppliers



Commitment to the SDGs

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

In 2019, a total of 2,414<sup>54</sup> supplier companies were contracted to provide services for Enel Chile and its subsidiaries, where 918 are Level 1<sup>55</sup>, which contribute significantly to value creation and are considered an ally to the operation. Payments to suppliers for goods and services in 2019 amounted to Ch\$ 1,923 million, of which 52% originated in the generation business, 46% in the distribution business, and 2% to other suppliers. In 2018, payments to suppliers amounted to Ch\$ 1,921 million.

## Responsible Procurement Management

308-1 | 412-1 | 414-1

As mentioned earlier, the Circular Economy is one of the pillars of the new Procurement strategy, which guides the different phases of the procurement process. It is an economic model that encourages the extension of an asset's useful life or its reutilization for other ends once the Company no longer makes use of it. The objective is to reduce the amount of residue generated by Enel Chile by encouraging suppliers to include circularity principles in their production processes. In 2019, the Company included this principle in its value chain by implementing the Procurement Circular Economy Strategy launched by the Enel Group in 2018.

The responsible procurement process involves a series of phases that are crucial to guarantee the selection of the best suited suppliers and contractors to ensure that the execution of their services complies with the strictest sustainability standards. The relationship between Enel Chile and supplier companies must be transparent and collaborative, which is why the Company places ethics as the core, aimed at creating long term bonds of trust with its suppliers and contractors.

54 The difference in the number of suppliers in 2018 is due to a change in the supplier base considered. In was extended in 2019 to include all Enel Chile suppliers, disregarding the size of the contract

55 Level 1 suppliers are those with a contract that exceeds 25,000 euros.

## PROCUREMENT CIRCULAR ECONOMY

Its objective is to minimize the negative environmental impacts of acquired goods and/or services and of generated waste. To instill a green procurement strategy among suppliers and motivate them to participate, the Company developed the “Enel Supplier Circular Economy Commitment Initiative”, which includes three main phases:

- 1) Create incentives for suppliers to commit to a Circular Economy.** The Company considers supplier commitment to practices, such as measuring and communicating the environmental impacts of their operations, implementing circularity in their production chain, and/or participating in Circular Economy projects, as a differentiating factor in the evaluation, thus providing committed companies a competitive advantage in the process.
- 2) Promoting Environmental Product Declaration (EPD) among Enel Chile suppliers:** The Company has promoted the gradual implementation of the EPD as a tool to calculate, communicate, and evaluate the environmental performance of their products and/or services, based on environmental Key Performance Indicators (KPI) (such as the use of recycled materials, renewable energy, among others) of their production process. This global environmental declaration program follows International Norm ISO 14,040 and allows suppliers to certify the eco-efficiency of their production process and provides them with an environmental profile elaborated by an independent organization.
- 3) Co-Innovation:** The metrics defined in the EPD project allow creating co-innovation projects with suppliers to reexamine their production processes and/or change their acquisition methods according to Circular Economy models.

“Enel Supplier Circular Economy Commitment Initiative” is based on the gradual implementation of the Environmental Product Declaration (EPD) as a tool to calculate, communicate, and evaluate the environmental performance of acquired goods and services.

The project’s first step was the definition of five product categories based on their strategic value to Enel and their valuation in terms of cost: wind turbines, photovoltaic panels, meters, power switches, and electrical isolators.

Along with suppliers and related companies, areas of improvement were identified in the production chain of each category through data collection and site visits.

Since February 2019, five validated protocols are available. A platform is available to collect the KPIs of each Protocol (for example, global warming potential, use of non-renewable resources, use of recycled materials, water usage, use of renewable resources), and provide statistical data analysis such as averages, and also discard specific KPIs.

## Procurement Process Phases

The **Qualification** phase includes the initial selection of suppliers that evaluates whether they have complied with Enel Chile standards regarding safety, environment, Human Rights, and Ethics. More specifically, this phase verifies whether the supplier has a management system that guarantees the adherence to these standards by reviewing supporting documentation. It is worth noting that requisites vary depending on company type and the level of risk that hiring the services places on each business unit. For example, environmental service providers are required to have an ISO 14,001 certified management system. The result of this phase is a list of Enel Chile qualified suppliers that are constantly being monitored.

Percentage of new qualified suppliers according to sustainability criteria:

Aspect of Evaluation	2017	2018	2019
Health and Safety	47%	100%	100%
Environment	47%	100%	100%
Human Rights	47%	100%	100%

The next step is the **Selection** phase, in which bids presented by qualified suppliers are evaluated from a technical and economic standpoint according to service requirements. Bids that fulfill these requirements could obtain a higher score in the process if they are committed and aligned with the K technical sustainability factors disclosed in the tender invitation term sheet. This factor identifies the sustainable practices that bidders have or will have to carry out and therefore provides an opportunity for those that comply with such factors and initiative to increase their score. The bidder that is awarded the tender with the K factor will have a deadline to comply that is indicated as a contractual condition.

During 2019, several sustainability K factor workshops were offered to bidders interested in participating in tenders worth more than €1.5 million.

## Sustainability K-factors

The Procurement department has defined five types of K-factors:

1. Implementation of management systems based on international sustainability certifications, such as ISO 14,001.
2. Environmental impact reduction through waste reduction projects, use of renewable materials, among others.
3. Social projects, such as measurable social impact programs (in quality education, decent work, and economic growth, among other areas), initiatives promoting corporate volunteerism, projects safeguarding Human Rights, among others.
4. Health and Safety programs, such as managing safety indicators or implementing innovation in this area.
5. Circular Economy initiatives such as implementing the Environmental Product Declaration as a tool to measure and shed light upon the environmental impacts throughout the life of the product and/or service provided.

## Supplier Performance Management (SPM)

A new system was implemented in 2019 that allows controlling and monitoring a supplier's performance in real time, according to six measurement and observation criteria: Quality, Punctuality, Safety, Environment, Human Rights, Innovation, and Collaboration. For each criterion, standardized KPIs have been defined to objectively measure a supplier's performance.

A fundamental aspect of SPM is Track & Rate, a digital application that allows the evaluators of the different business lines and the purchasing department to make real-time observations (positive or negative) on the performance of a supplier regarding any of the six criteria listed above. This application guarantees an easy, quick, objective, and transparent evaluation process, as the evaluators and suppliers can see the results in real time.

In the **Hiring** phase, the selected bidder must declare knowledge of and apply the principals included in the Global Compact, Enel's Ethics Code, and Environmental, Health, and Safety Conditions, among other Company documents. Throughout the **life of the contract**, the supplier's performance and compliance with contractual conditions are monitored and evaluated through the Supplier Performance Management (SPM) system.

Once the performance results of suppliers and contractors are obtained, and as a part of SPM, consequence management is carried out, which involves providing support and motivation to those that obtain unsatisfactory evaluations. To this end, letters are sent that inform about the nonconformities and invite them to implement corrective measures. If unsatisfactory performance is recurrent, the supplier will be asked to implement an action plan that will be guided and monitored by the Company. If despite these actions, the supplier's performance does not improve, the qualification committee will have to determine whether such company can continue providing services, as established by contractual conditions.

# Suppliers and contractors as strategic partners

414-1

Enel Chile considers its suppliers and contractors to be business partners, as they supply materials and/or carry out fundamental work in the Company's generation and distribution businesses. Therefore, in 2019 Enel Chile hosted several activities for its suppliers and contractors to develop their skills and competencies, thus strengthening their relationship with the Company.

For instance, the "Ethics is our energy" project was carried out during the Ethics Week, which was organized by the Auditing department. This initiative was developed to foster a culture of transparency between Enel Chile and its suppliers and included a brief training session regarding the evolution of the country's regulatory framework.



Other noteworthy projects were implemented by Enel Chile's Services department, which is responsible for identifying the development needs of contractors and designing suitable programs to provide such training needs. Work Climate is a transversal program in which all business units participate to measure workplace climate and design action plans for risk prevention, teamwork, and other dimensions that allow preserving optimal work conditions. A total of 1,743 contractor employees participated in 2019.

Work Climate Survey Results	Enel Generación Chile 2019	Enel Distribución Chile 2019	Enel Chile 2019
Satisfaction Percentage	67.4%	69.7%	63.9%
No. Employees Surveyed	635	963	145
No Contractors surveyed	18	13	6

## Skill and Competency Development Programs for Suppliers and Contractors provided by the Services Department

### In Enel Generación Chile

A new initiative was implemented to foster selfcare through leisure activities, where every participant received a tablet to access the "selfcare and occupational health practices" course. This project was carried out in seven power plants with the participation of over 300 contractor employees.

### In Enel Distribución Chile

A retraining project was offered to meter readers, a service that will change due to telemetering in the midterm. More specifically, information regarding these external employees' needs and expectations was collected and indicated that most of them would want to continue working for Enel Chile but would require technical specialization. Within this framework, an "Electricity Basics" course was offered by INACAP providing scholarships for 45 people. Enel Distribución Chile also offered training to improve the quality of service provided through all customer service channels, based on the "4A model": Accept, Assist, Advise and Accelerate. Over 250 contractor employees that directly interact with customers participated in the initiative. Finally, a Labor Skills Certification program based on each business line's standards was developed to standardize, evaluate, and strengthen employees' competences. In 2019, a ceremony was held for 433 contractor employees that were certified to provide various Enel Distribución Chile services.



## In the Services department

Contractor employees were offered several selfcare programs that provided study material and later evaluated them on the contents. More than 170 people participated in these programs.

Regarding Labor Skills Certification processes, a ceremony was held for 433 contractor employees that were certified to provide various Enel Distribución Chile services. Each business line develops a Labor Skills Certification program based on its specific guidelines to standardize, evaluate, and strengthen employees' competences.

# Suppliers and Human Rights

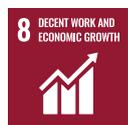
412-1

Enel Chile adheres to a Human Rights policy that follows the guidelines of Enel Group's global Human Rights policy. The Company's policy promotes respect for Human Rights in all its business relationships and the adherence of contractors, suppliers, and partners to these principles, paying close attention to situations of conflict or high risk, such as child labor or forced labor within contractor companies.

Every time a bidder submits a bid to an Enel Chile tender, they are asked to complete a Human Rights questionnaire, written according to international standards, such as the United Nations' "Guiding Principles on Business and Human Rights". If the answers provided by the bidder are unsatisfactory or not aligned with the Company's Human Rights policy, they are unable to participate in the tender processes Enel Chile carried out during that period.

Similarly, throughout the life of a contract, Enel Chile monitors contractor compliance to the Human Rights policy. This procedure detected a case of discrimination against immigrant employees by a contractor company in 2018. The incident was reported to the Company's respective department head to follow the corresponding procedure.

On another note, and to support workers in the execution of their tasks, Enel Chile held training sessions on health and safety for immigrant employees and in their native language.



204-1

# Supporting small and medium enterprises (SMEs) and local workers

Enel Chile and its subsidiaries are committed to hiring workers from communities surrounding operation sites, which contributes to local employment and professional development opportunities. This objective is achieved by applying the Company's General Contracting Conditions ("CGC," in its Spanish acronym), which establishes the contractual framework of all Company tender/recruitment processes. These documents are publicly available to all suppliers and guarantees fair competition and equal conditions for participants.

Along this line, a series of tender practices and strategies have been put in place to encourage employment of local workers and the inclusion of SMEs in the supplier network. The following table highlights the most relevant ones:

## Practices to encourage hiring local labor and SMEs

### In Enel X

Regarding the residential electricity services business provided by electricians, an accession model was created for small entrepreneurs. The technical and economic requirements were redefined to give SMEs more opportunities to participate in tender processes.

### In Generation

Actions have been implemented to encourage hiring local workers and SMEs to perform the repairs of the social housing projects in the Doña Isidora and Huertos Familiares communities. For instance, companies that wish to obtain higher K factor scores must commit to hire labor from communities that have a relationship with Enel Chile. They must also outsource their operations to local SMEs.

The tenders held in 2019 to provide services for renewable power plants required bidders to state the percentage of local workers they would hire.

Another measure adopted to support SMEs is setting 30 days as the maximum payment period of invoices, settling contractual commitments with such companies in a short period of time and allowing them to have the liquidity necessary to continue their operations.

# Clarity and transparency of supplier relations

In line with the Open Power vision, Enel Chile fosters agile and close communication with its suppliers to form bonds based on clarity and transparency. To do so, the Company has continuously implemented several initiatives. During 2019, the Company developed a digital tool called Glassdoor to allow the Procurement department to constantly interact with suppliers having updated information on such suppliers and their contracts with the Company. This application is available to all suppliers providing services to Enel Chile under contractual agreements during the first semester of 2020. Glassdoor, provides access to the following:

- Agile supplier search, similar to Google, utilizing key fields such as company name or fiscal identification code.
- List of suppliers that have been suspended due to safety concerns.
- View suppliers' general information, including industry in which it operates, certifications, performance regarding safety and other relevant aspects, among others.
- View suppliers' ratings, either completed or ongoing.
- View active or expired contracts by country
- View the tenders in which the supplier has participated, quickly showing its successful and unsuccessful bids.

# Future challenges

The Enel Group has defined goals to increase the coverage of suppliers with qualifications in Health and Safety, in environmental issues, Human Rights, and ethical business behavior in the coming years.

In addition, the Enel Group will carry out several activities in the coming years, such as:

- > Training sessions for the Procurement department on sustainability issues.
- > Developing projects aligned with Circular Economy principles, aimed at having a “zero waste” approach.
- > Integrated Model Analysis for the evaluation of Social Impact of Global Sustainability Acquisition Projects (along with the Administration, Finance, and Control department).
- > Launching a new Performance Monitoring System that includes Human Rights topics.

Activity/goal	2019 Result
Health and Safety evaluation of suppliers.	<b>100%</b> of qualified suppliers.
Environmental performance evaluation of suppliers.	<b>100%</b> of qualified suppliers.
Human Rights evaluation of suppliers.	<b>100%</b> of qualified suppliers.
Development of a system to monitor and evaluate contractors in real time.	Supplier Performance Manager (SPM), operational in Thermal and Renewable Generation.
Tender strategies including sustainability aspects.	In implementation stage.

# Economic Value Creation

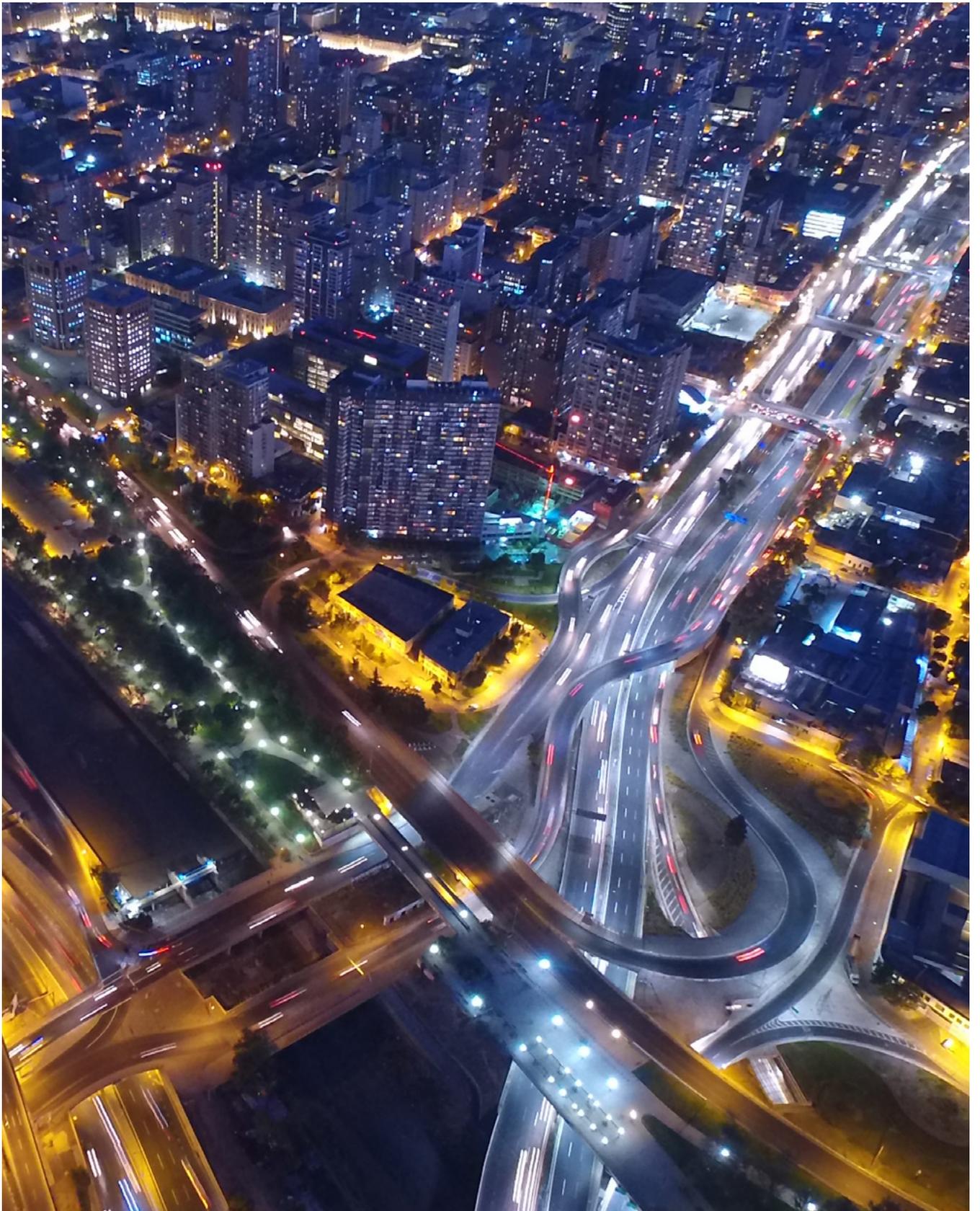
102-7 103-2 103-3 201-1

In 2019, Enel Chile generated value equivalent to Ch\$ 2.8 billion, 13% more than the amount generated in 2018. Of this amount, 99% corresponds to sales revenue, in addition to financial revenue and other minor sources of revenue.

Economic value was distributed among the Company's different business lines and stakeholders. Among these, relevant payments were made to suppliers of energy, fuel, financial capital (dividends to shareholders and financial expenses), and income tax.

		2017		2018		2019	
		Ch\$ Million	%	Ch\$ Million	%	Ch\$ Million	%
Direct Economic Value Generated (EVG)	Revenue	2,655,185	100%	2,483,697	100%	2,800,393	100%
	Operating	2,522,978	95%	2,457,161	99%	2,770,834	99%
	Non-operating	132,207	5%	26,535	1%	29,559	1%
Economic Value Distributed (EVD)	Operating costs	1,827,799	69%	1,688,763	68%	2,146,180	77%
	Employee wages and benefits	107,115		106,419		11,994	
	payments to providers of capital	314,314	12%	353,577	14%	401,377	14%
	Financial expenses	53,511	2%	122,184	5%	164,898	6%
	Dividend payments	260,803	10%	231,393	9%	236,479	8%
	payments to Government	143,342	5%	153,483	6%	61,228	2%
	Economic Value Retained (EVR)	EVR = EVG - EVD	262,615	10%	181,455	7%	79,615

\*\*Differences between these values and the ones reported in previous years are due to a reclassification of Enel Chile's Financial Statements.



# Environmental, Social, and Governance (ESG) indices and rankings

102-12

The relevance of sustainability in Enel Chile’s business and the Company’s performance in this area is reflected in its participation in several globally renowned indices. These indices provide traceability, opportunities to compare management, and also credibility and transparency towards investors, consumers, and stakeholders. Thus, sustainability indices and rankings are instruments to measure the responsibility of any given company regarding ESG criteria.

Main ESG Indices and Rankings Enel Chile is part of:	
Index/Ranking	Description and Scope
Dow Jones Sustainability Index	Among the top 10% electric service Companies worldwide, according to the Dow Jones Sustainability Index (DJSI), ranking 8th in the DJSI Chile, DJSI MILA Pacific Alliance, and DJSI Emerging Markets indices. The Company was also included in RobecoSAM’s Sustainability Yearbook for the first time, appearing in the Bronze class, and being recognized as the only Chilean companies, along with Enel Américas, to hold these distinctions and appearing in three indices.
FTSE4 GOOD	Sustainability index of the London Stock Exchange that ranks the best companies in aspects such as climate action, governance, safeguarding Human Rights, and anti-corruption measures. Enel Chile has been included in this index for the third straight year in the Emerging Markets and Latin America categories.
Vigeo-Eiris	Enel Chile was included in the utilities sector of Vigeo-Eiris’ “Best Emerging Market Performers” ranking for the third straight year, which includes the best performing companies in emerging markets using a “best of its class” approach.
MSCI ESG Indexes	These indices seek to generate common perspectives concerning ESG investments and serve as benchmarks for investors on the ESG performance of companies. During 2019, Enel Chile received this distinction, and became part of the diverse set of stock market sustainability indices reported by this entity.

### Enel Chile main ESG rating performance



#### Indices y ranking ASG

MSCI: Universal and focus ESG indices  
 Morningstar: Emerging Markets Sustainability indices  
 DJSI Chile, DJSI MILA Pacific Alliance y DJSI Emerging Markets  
 FTSE Emerging Markets y Latin America indexes  
 Vigeo: ranking "Best Emerging Markets Performers"



### Enel Chile's presence in main ESG indices & rankings

# 2019 Awards

In 2019, Enel Chile received several acknowledgements that were awarded by various organizations, the following are among the most noteworthy:

Enel Chile was awarded 1st place by Fundación Chile Mujeres, PwC Chile and PULSO newspaper in the utility's category.



Enel Chile was among the top three companies acknowledged with the Generación Empresarial – Diario Financiero Award for its commitment to integrity and ethical standards.



Enel Chile was awarded 2nd place in the Best Practices for a Sustainable Electric Future Contest, for the Maule Basin Water Management project, awarded by Generadoras de Chile.



UITP Awards, an organization that fosters best practices in city mobility, awarded the “Smart Financing, Financing and Business Models” Award to METBUS (Buses Metropolitana S.A.), Santiago de Chile, and Enel X for their “Private venture to implement electric mobility in Santiago’s public transport system” project.



Enel Chile received the “Commitment to Integrity” award in the III edition of the Generación Empresarial – Diario Financiero Awards for its commitment to the systematic promotion of ethics and best corporate practices, internally and externally.



Enel Chile, Enel Distribución Chile, and Enel Generación Chile obtained **the ISO 37,001** certification, an international norm that acknowledges the existence of an effective antibribery management system.



Enel Chile, Enel Generación Chile, Enel Distribución Chile, and Enel Green Power Chile, along with all their subsidiaries, received certification of the **Criminal Risk Prevention Model** ("MPPR" in its Spanish acronym), whose purpose is to prevent and detect fraud, terrorism funding, money laundering, and other crimes within the Company and in any relationship with third parties.

Enel Chile maintained Feller Rate Agency **"AA"** - Stable Outlook risk rating.

Credit risk rating company Moody's gave Enel Chile S.A. a **"Baa2"** international rating, with a stable outlook.

Credit risk rating company Standard and Poor's **maintained the "BBB+"** international risk rating of Enel Chile S.A., with a stable outlook, which is considered investment grade.



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## 4. APPENDIX



# Methodology Note

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## Scope of the Report

This document is the Tenth Edition of the Company's Annual Sustainability Report, and the fourth edition issued by Enel as controlling shareholder. It has been prepared in accordance with the GRI Standards: Core option.

The information contained in this report refers to the economic, social, and environmental performance of all Enel Chile and its subsidiaries operations from January 1st through December 31st, 2019.

This Sustainability Report satisfies the Communication on Progress (CoP) of the United Nations Global Compact, the IIRC model (International Integrated Reporting Council) and the SDG Compass, which is a guide that facilitates adapting sustainability strategies to the United Nations' Sustainable Development Goals.

This report is structured according to the strategic priorities established in Enel's Sustainability Plan.

# Assurance Statement

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Building a better  
working world

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## Limited Assurance Statement of Enel Chile Sustainability Report 2019

(free translation from the original in Independent Spanish)

To the President and Directors of  
Enel Chile

### Scope

We have performed an independent limited assurance engagement on the information and data presented in Enel Chile 2019 Sustainability Report.

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

### 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).

The GRI indicators verified as part of this engagement have been identified in the 2019 Sustainability Report.

Our procedures have been designed to:

- ▶ Determine whether the information and data presented in the 2019 Sustainability Report are duly supported by evidence.
- ▶ Verify the traceability of the information disclosed by Enel Chile in its Sustainability Report 2019.
- ▶ Determine whether Enel Chile has prepared its 2019 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 limited 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 2019 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 way of recalculation.
- ▶ Review of the 2019 Sustainability Report in order to ensure its phrasing and format does not mislead the reader regarding the information presented.

### Independence

EY Consulting SpA is an independent firm, unrelated to the calculation, preparation or provision of economic, environmental or social data presented in the 2019 Enel Chile Sustainability Report.

### Our Responsibility

Our responsibility is limited to the scope and procedures previously mentioned, corresponding to a limited assurance verification 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 the Enel Chile 2019 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 2019 Sustainability Report are not presented fairly.
- ▶ Enel Chile 2019 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 2019, which are detailed in a separate report of recommendations, presented to the Administration of Enel Chile.

Truly yours,

EY Consulting SpA

Elanne Almeida

April 27, 2020

# Appendix

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## Tables: Supplementary safety statistics

Enel Chile				
Own personnel	2016	2017	2018	2019
Fatal accidents	0	0	0	0
Serious accidents	0	0	0	0
Minor accidents	1	1	0	0
Total accidents	1	1	0	0
Accident frequency	0.19	0.19	0.00	0
Injury rate	0.04	0.04	0.00	0
Rate of Days lost due to accidents	0.11	2.44	0.00	0
Hours worked	5,349,023	5,164,477	5,131,762	4,612,704
Workdays lost	3	63	0	0

Enel Chile				
Contractor personnel	2016	2017	2018	2019
Fatal accidents	0	0	0	2
Serious accidents	0	2	1	0
Minor accidents	35	27	26	16
Total accidents	35	29	27	18
Accident frequency (1)	1.71	1.50	1.36	0.95
Injury rate (2)	0.34	0.30	0.27	0.19
Rate of Days lost due to accidents	12.5	10.8	16.84	2.32
Hours worked	20,499,452	19,367,028	19,879,786	19,031,727
Workdays lost	1.280	1.050	1.674	221

(1) It corresponds to the Lost Time Injury Frequency Rate (LTIFR) calculated as (Number of lost-time injuries / Total hours worked in accounting period ) x 1,000,000.

(2) Calculated as (Number of lost-time injuries / Total hours worked in accounting period ) x 200,000.

# Supplementary environmental data<sup>1</sup>

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Detail	Unit	2017	2018	2019
<b>Emissions</b>				
Thermoelectric generation direct emissions	tCO <sub>2</sub> e	4,728,694	4,002,152	4,778,575 <sup>2</sup>
Other direct emissions due to electricity generation and other activities.	tCO <sub>2</sub> e	16,306	23,848	18,247 <sup>3</sup>
<b>Total direct GHG emissions (Scope 1)</b>	<b>tCO<sub>2</sub>e</b>	<b>4,745,000</b>	<b>4,026,000</b>	<b>4,796,822</b>
Indirect GHG Emissions from energy purchases and consumption (Scope 2)	tCO <sub>2</sub> e	10,000	11,000	31,672 <sup>4</sup>
<b>Total indirect GHG emissions (Scope 2)</b>	<b>tCO<sub>2</sub>e</b>	<b>10,000</b>	<b>11,000</b>	<b>31,672</b>
<b>Emissions from fuel and energy related activities</b>				
Emissions from fuel and energy related activities	tCO <sub>2</sub> e	205,042	186,490	237,673
Emissions from transportation and distribution and energy related activities	tCO <sub>2</sub> e	41,958	38,510	48,625
<b>Total Scope 3</b>	<b>tCO<sub>2</sub>e</b>	<b>247,000</b>	<b>225,000</b>	<b>286,298<sup>5</sup></b>
<b>Total avoided CO<sub>2</sub> emissions</b>	<b>t</b>	<b>9,600,983</b>	<b>11,554,074</b>	<b>10,224,976<sup>6</sup></b>
<b>Other emissions</b>				
Direct NOx emissions	t	6,130	4,749	5,524
Direct SOx emissions	t	2,734	2,585	3,394
SF6 emissions	t	0.006	0.007	0.018
Mercury emissions	t	0.017	0.024	0.0150
Particulate matter <sup>7</sup> emissions	t	108.70	160.17	162.10
<b>Emissions intensity</b>				
CO <sub>2</sub> (scope 1)	g/KWh eq	276.96	199.65	227.11
Nox	g/KWh eq	0.36	0.24	0.26
Sox	g/KWh eq	0.16	0.13	0.16
Dust	g/KWh eq	0.01	0.01	0.01
<b>Energy consumption</b>				
Fossil fuels (coal, fuel oil, natural gas, etc.) purchased and consumed (to generate electricity)	MWh	18,072,930	14,132,151	10,676,709
Electricity purchased	MWh	49,063	33,175	80,398 <sup>8</sup>
Non-renewable energy (electricity, heating, refrigeration) generated	MWh	7,292,000	6,268,000	7,232,574
Renewable energy generated	MWh	9,781,000	13,778,000	13,807,959
Total non-renewable energy consumed	MWh	10,829,993	7,897,326	3,524,533
<b>Energy consumption cost</b>				
Total energy consumption cost	CLP (miles)	902,434,871	747,646,603	835,284,742
Data included	% of revenue	100	100	100
Average distribution network losses *	%	5.10	5.02	4.99
Energy intensity	g/KWh eq	3.81	2.54	1.58
* Includes Low, Medium and High voltage line losses and theft				
<b>Water consumption<sup>9</sup></b>				
Total water supplied to municipalities (or other water related services)	MMm <sup>3</sup>	0	0	0,00
Surface fresh water (lakes, rivers, etc.)	MMm <sup>3</sup>	0,000	0,000	0,000
Underground fresh water	MMm <sup>3</sup>	5,400	5,420	5,974
<b>Total net freshwater withdrawal</b>	<b>MMm<sup>3</sup></b>	<b>5,400</b>	<b>5,420</b>	<b>5,974</b>
Sea water withdrawal	MMm <sup>3</sup>	0,604	0,507	1,027
Residual water (used at plants)	MMm <sup>3</sup>	0,000	0,000	0,004
<b>Total water withdrawal</b>	<b>MMm<sup>3</sup></b>	<b>6,004</b>	<b>5,927</b>	<b>7,00</b>
<b>Total once through cooling system</b>	<b>MMm<sup>3</sup></b>	<b>697,395</b>	<b>558,696</b>	<b>793,17</b>
Residual water (Volume discharged)	MMm <sup>3</sup>	700,085	561,896	796,35
Net water consumption	MMm <sup>3</sup>	3,314	2,727	3,82 <sup>10</sup>
<b>Water consumption in water shortage areas</b>				
Total water supplied to municipalities (or other water related services)	MMm <sup>3</sup>	0	0	0
Surface fresh water (lakes, rivers, etc.)	MMm <sup>3</sup>	0	0	0
Underground fresh water	MMm <sup>3</sup>	4.74	4.93	5.43
<b>Total net freshwater withdrawal</b>	<b>MMm<sup>3</sup></b>	<b>4.74</b>	<b>4.93</b>	<b>5.43</b>
<b>Waste in tons</b>				
Hazardous waste produced	Ton	1,339	1,986	968
Non-hazardous waste: ashes	Ton	169,525	164,983	169,839
Non-hazardous waste excluding ashes	Ton	222,928	315,649	128,170
<b>Total waste produced</b>	<b>Ton</b>	<b>393,792</b>	<b>482,618</b>	<b>298,977</b>
Recycled non-hazardous waste or sent to be recovered	Ton	41,401	60,265	99,332
Recycled hazardous waste or sent to be recovered	Ton	31	42	67

1. Certain figures differ from those previously reported due to criteria changes, adherence to protocols such as GHG setting goals in line with SBTi or due to involuntary omissions.
2. This figure increases because thermal electricity generation increased during the year due the severe drought throughout most of Chile in 2019.
3. The production of N<sub>2</sub>O (GWP=265) and CH<sub>4</sub> (GWP=28) expressed in equivalent CO<sub>2</sub> was included in all fossil fuel combustion processes. These figures had not been included in 2017 and 2018 reports but have been included now for those years. The calculations for other activities also include CO<sub>2</sub>eq emissions generated by diesel combustion of diesel generator sets and Company vehicles. SF<sub>6</sub> emissions are also included in this figure.
4. Scope 2 figures increase because the total amount of energy purchased by the hydro sector in 2019 was included, while the figure for 2018 only includes the amount purchased in the second semester, after the Enel Generación Chile and Enel Green Power reorganization took place.
5. This increase is due to greater coal fired electricity generation because of the drought in most of Chile, which implied greater coal production and transportation that leads to an increase in this type of emissions.
6. The amount of avoided emissions is obtained by multiplying renewable electricity generation by the specific CO<sub>2</sub> emissions of thermoelectric generation.
7. Particulate matter emissions increase because coal fired electricity generation increases (Bocamina I and II), which increases sulfur emissions and ashes.
8. These figures increase because the total amount of energy purchased by the hydro sector in 2019 was included.
9. The difference between 2019 figures and the figures for previous years is due to the new environmental data collection method. The figures used for water withdrawal and discharge were obtained according to the new GRI 303.
10. The difference between 2019 figures and the figures for previous years responds to the increase in thermoelectricity generation and a different generation mix.

## Environmental penalties

<b>Environmental penalties above US\$10,000</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of penalties	0	0	1	2
Fines (Ch\$)	0	0	7,181,310	12,307,050
Provision (Ch\$)	0	0	0	0

<b>Generation (GWh)</b>				
		<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total</b>		<b>17,073</b>	<b>20,046</b>	<b>21,041</b>
Hydro		9610	11,346	10,523
Nuclear		0	0	0
Coal		2737	2,608	3,268
Oil-Gas		4557	3,660	3,965
NCRE / Mini Hydros		40	49	55
NCRE / solar		0	872	1,190
NCRE / Wind		129	1,352	1,845
NCRE / Geothermal		0	159	194

# Requirements Independent Directors

## Chilean legislation:

**Article 50 bis Law 18.046:** Those who have been found at any time within the last 18 months, in any of the following circumstances, will not be considered independent:

- 1) Maintain any link, interest or economic, professional, credit or commercial dependency, of a relevant nature and volume, with the Company, the other companies of the group of which it is a part, its controller, or with the main executives of any of them, or have been Directors, managers, administrators, chief executives or advisers of these.
- 2) Maintain a relationship of kinship up to the second degree of consanguinity or affinity, with the persons indicated in the previous number.
- 3) They would have been Directors, managers, administrators or main executives of non-profit organizations that have received relevant contributions or donations from the people indicated in number 1).
- 4) They would have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or main executives of entities that have provided legal or consulting services, for significant amounts, or external auditing, to the persons indicated in number 1).
- 5) They would have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or main executives of the main competitors, suppliers or clients of the Company.

Under this criterion, Independent Directors at Enel Chile are Fernán Gazmuri Plaza, Pablo Cabrera Gaete and Gerardo Jofré Miranda.

## International Criteria:

The members of Enel Chile Board of Directors are considered independent Directors according to the requirements of the **Sarbanes-Oxley Act and NYSE standards**.

NYSE registration standards state that a member of the Board of Directors is not independent if any of the following apply:

1. You are an employee or a direct family member or were an executive director of the Company for the past three years.
2. He or she or an immediate family member received more than \$ 120,000 in direct Company compensation in any 12-month period during the previous three years, except for director fees and other allowable payments.
3. He or she or a direct family member is a current partner of the Company's internal auditor or independent auditor; he or she is a current employee of such firm; he or she has a direct family member who is currently an employee of such firm and personally works in the Company's audit; he or she or a direct member was, but is no longer, a partner or employee of such firm and personally worked in the audit of the Company for the past three years.
4. He or she is a current employee, or an immediate family member is a current CEO of another Company that makes payments to, or received payments from, the registered Company for property or services in an amount that, in any of the three previous fiscal years, was in excess of the greater of \$ 1 million or 2 percent of the other Company's consolidated gross revenue

Under this criterion, Independent Directors at Enel Chile are Fernán Gazmuri Plaza, Pablo Cabrera Gaete and Gerardo Jofré Miranda.

In accordance with the criteria established by the **Dow Jones Sustainability Index**, an independent director is considered to be one who meets the following conditions:

- The director must not have been employed by the Company as an executive for the last five years.
- The director must not be a "family member of a natural person who has worked, or during the last three years was employed by the Company or by a Company parent or subsidiary as an executive officer".
- The director must not be (and must not be affiliated with a Company that is) an advisor or consultant to the Company or a member of the Company's senior management.
- The director must not be affiliated with a significant client or supplier of the Company.
- The director must not be affiliated with a non-profit entity that receives significant contributions from the Company.
- The director must not have been a partner or employee of the Company's external auditor during the last three years.
- The director must not have any other conflict of interest that the Board of Directors itself determines cannot be considered independent.

Under this criterion, Independent Directors at Enel Chile are Fernán Gazmuri Plaza, Pablo Cabrera Gaete, Gerardo Jofré Miranda, Salvatore Bernabei, Daniele Caprini and Giulio Fazio.

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Questions and suggestions may be directed to:

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Some energy is generated every day,  
it is nurtured and grows thanks to a network that keeps us connected.  
We are the energy that enables us to express our potential in the best possible way, protect our planet and promote social development.  
Curiosity has opened us to new perspectives.  
Our bravery has made them reality, creating new business models for us, our customers, our shareholders and the communities that surround our operations.  
What was just an idea yesterday, is a reality today.

