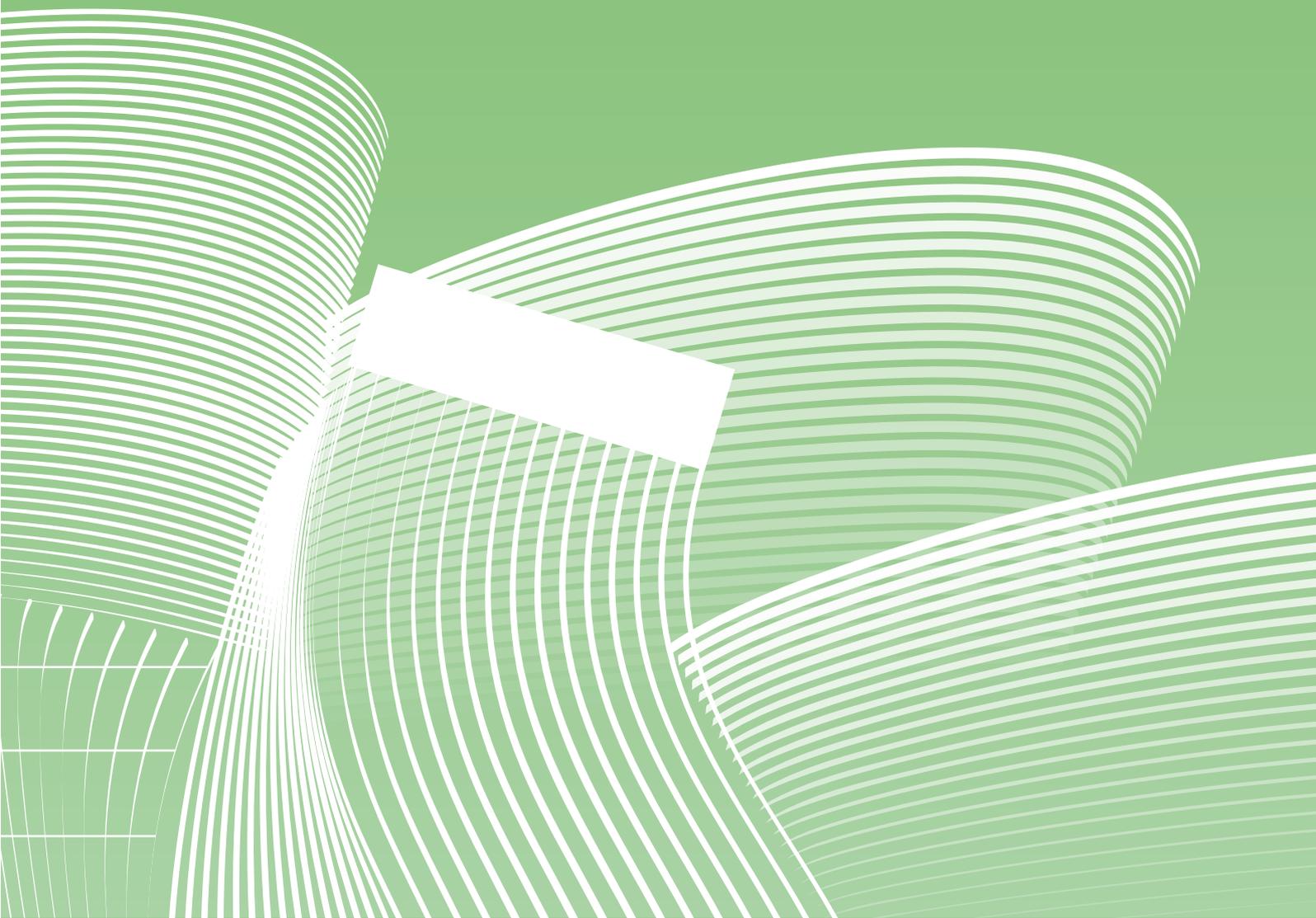




SUSTAINABILITY  
REPORT  
**2015**



endesa  
chile





# Endesa Chile Sustainability Report 2015



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# Endesa Chile's History



## 1943 - 1948

Corfo founds the National Electricity Company Inc. (Empresa Nacional de Electricidad S.A.) to develop the Electrification Plan, which included electricity generation, transmission and distribution. The first stage of the plan was completed with the Sauzal and Abanico hydroelectric power plants.



## 1952 - 1955

The Cipreses and Los Molles hydroelectric power plants began operations. The company created new departments: urban distribution, exploitation, personnel, engineering, construction, finance, administration, social welfare, legal counsel and internal auditing.

## 1959 - 1960

The Sauzalito hydroelectric power plant began operations. The Valdivia Earthquake crumbled hills and blocked the Riñihue Lake outlet. The company played a key role in preventing a natural disaster.

## 1961 - 1965

The organization grew, and professionals were sent abroad for training and specialization, integrating automation and the use of computers. Also, the Renca, Ventanas and Huasco thermal power plants and the Isla hydroelectric power plant began operations.

## 1968 - 1981

The company established its corporate office in Santiago, and commissioned the Rapel, El Toro and Antuco hydroelectric power plants, as well as the Bocamina, Huasco and Diego de Almagro thermal power plants.



## 1982

During the restructuring of the electricity sector, Endesa, which owned generation, transmission and distribution assets, is divided into 14 companies. These included 6 generation companies (Endesa and Colbún among them), 6 distribution companies and 2 generation and distribution companies.

## 1987

The privatization process started in 1987 through a series of public offerings of shares, and ended in 1989, when it incorporated pension funds (AFP's), staff members, institutional investors and thousands of minority shareholders. It also sold 94.4% of its shares in the Emelat Corp. distribution subsidiary to Emelat Corp, through a public tender.



## 1988 - 1990

The company was registered in the National Registrar of the Superintendence of Securities and Insurance (SVS, in its Spanish Acronym) and in the Santiago Stock Exchange. It developed the Charrúa – Puerto Montt and Alto Jahuel – Polpaico transmission systems, as well as subsidiaries Pangué and Ingendesa. Subsidiaries Pehuenche, Enigesa and Ispen already existed.

## 1991 - 1993

The Canutillar and Pehuenche hydroelectric power plants began operations. It acquired control of Costanera S.A. in Argentina, and obtains a risk rating for the first time. The Curillínque power plant was commissioned and 59% of El Chocón S.A. hydroelectric plant in Argentina was acquired. In the transmission system in Chile, Transelec begins operations and the El Melón Tunnel began construction.

## 1994

The company incorporated the Endesa trademark, and issued ADR's in the NYSE. Work plans and studies for the Ralco hydroelectric plant were presented to Conama. Also, both phases of the El Melón Tunnel were connected, and Transelec created two subsidiaries. Enersis acquired an additional 1.9% of Endesa, reaching 17.2% ownership.

## 1995

San Isidro, Ralco and Patache power plants began construction. The purchase of 60% of shares in Edegel S.A. in Peru was completed. The El Melón Tunnel is opened and the Autopista del Sol highway begins construction.



## 1996

The Pangué hydroelectric power plant began operations, 5 months ahead of schedule. The company acquired 99.9% of the Betania hydroelectric power plant in Colombia, through a consortium with Corfivalle, a local company. Enersis reached 25.28% ownership.

## 1997 - 1998

Acquired Emgesa in Colombia and Centrais Eléctricas Cochoeira Dourada in Brazil, and placed a Yankee Bond for US\$ 650 million. Of that amount, US\$ 200 million were issued with a 100 year maturity. San Isidro and the Electrogas pipeline began operations. Increased shares in Edegel and Cachoeira and Costanera commissioned a new combined cycle power plant in Argentina.

## 1999

Endesa Spain took control of Enersis by acquiring the additional 32% of ownership. Enersis reaches 60% ownership of Endesa after acquiring an additional 35% of shares. The company placed a 10-year Yankee Bond for US\$ 400 million. The Atacama Project was inaugurated.

## 2000

The 1,000 MW interconnection between Brazil and Argentina began operations through the CIEN consortium. Transelec was sold to Hydro Quebec International Inc. The first issuance of Eurobonds took place, the first phase of the Taltal power plant was executed and the hydroelectric power plant Chinango, in Peru, began operations.





## 2001 - 2002

The company registered its shares in the Latin American Stock Exchange of the Madrid Stock Exchange (Labitex), under the XEOC mnemonic. It implemented a Financial Strengthening Plan, which included the divestment of the Canutillar power plant, the transmission lines in the northern region's electricity system Sistema Interconectado del Norte Grande (SING, in its Spanish acronym), and the Dos Mil Infrastructure subsidiary. The second Brazil-Argentina interconnection line began commercial operations.

## 2006

Together with Enap and Metrogas, the company signed an agreement to execute the Natural Liquefied Gas Project (GNL in its Spanish acronym). It acquired the Termocartagena power plant in Colombia and merged the Peruvian companies Edegel and Etevensa. Endesa received an investment grade rating from the three international agencies that rate Endesa Chile, Standard & Poor's, Fitch Credit Rating and Moody's.

## 2007

The Centrales Hidroeléctricas de Aysén (HidroAysén) company was constituted. The diesel oil open cycle of the Central San Isidro Expansion project, second unit, began commercial operations and the Canela wind farm, the first of its kind to supply NCRE into the SIC, was inaugurated. The merger between the Colombian companies Emgesa and Central Hidroeléctrica Betania was completed and Enel and Acciona took control of Enersis through Endesa Spain.



## 2009 - 2011

The company acquired 29.40% ownership share in its Peruvian subsidiary Edegel, commissioned the Canela II wind farm, and inaugurated the GNL Quintero regasification terminal. Enel took control of Enersis through Endesa Spain. The installed capacity of the San Isidro power plant was enhanced and the first stone of the El Quimbo hydroelectric power plant was laid in Colombia.

## 2012

A corporate optimization process began in some subsidiaries through mergers, which implied the absorption of Ingendesa, Compañía Eléctrica Tarapacá, Inversiones Endesa Norte, Endesa Eco, Enigesa and Empresa Eléctrica Pangué. Bocamina II began operations.

## 2015

Endesa Chile will develop generation initiatives in collaboration with communities as part of its new sustainability and community relations strategy. Within this framework, and after listening and understanding the culture and traditions of the communities in the territory that surrounds Neltume, the Company has decided to study new design alternatives, particularly regarding the water discharge system into Lake Neltume. This particular subject has been mentioned by the community as a concern in several different instances. Endesa Chile has withdrawn the Environmental Impact Study (EIA in its Spanish acronym) that had already been submitted to the Environmental Evaluation Service (SEA in its Spanish acronym) of the Región de Los Ríos, in order to begin a new study of the alternative to discharge water into the Fuy River.

## 2003 - 2004

The sale of Infraestructura Dos Mil S.A. was closed and the Canutillar power plant was sold. Ownership share of Central Costanera S.A. increases to 64.62%. Ralco hydroelectric power plant began operations. The Company signs the United Nations Global Compact and changes its corporate image.



## 2005

The Endesa Chile trademark was incorporated. Endesa Brazil was created with assets contributed by Endesa Latinoamérica, Endesa Chile, Enersis and Chilectra. The Endesa Eco subsidiary acquired an additional 25% of the electricity company Compañía Eléctrica San

## 2008

The San Isidro II combined cycle facility, with 353 MW installed capacity, began operations, as well as the mini hydroelectric plant Ojos de Agua. An investment in Argentina which implied obtaining 21% ownership of the José de San Martín and Manuel Belgrano thermal power plants, was conducted through its subsidiaries in that country.



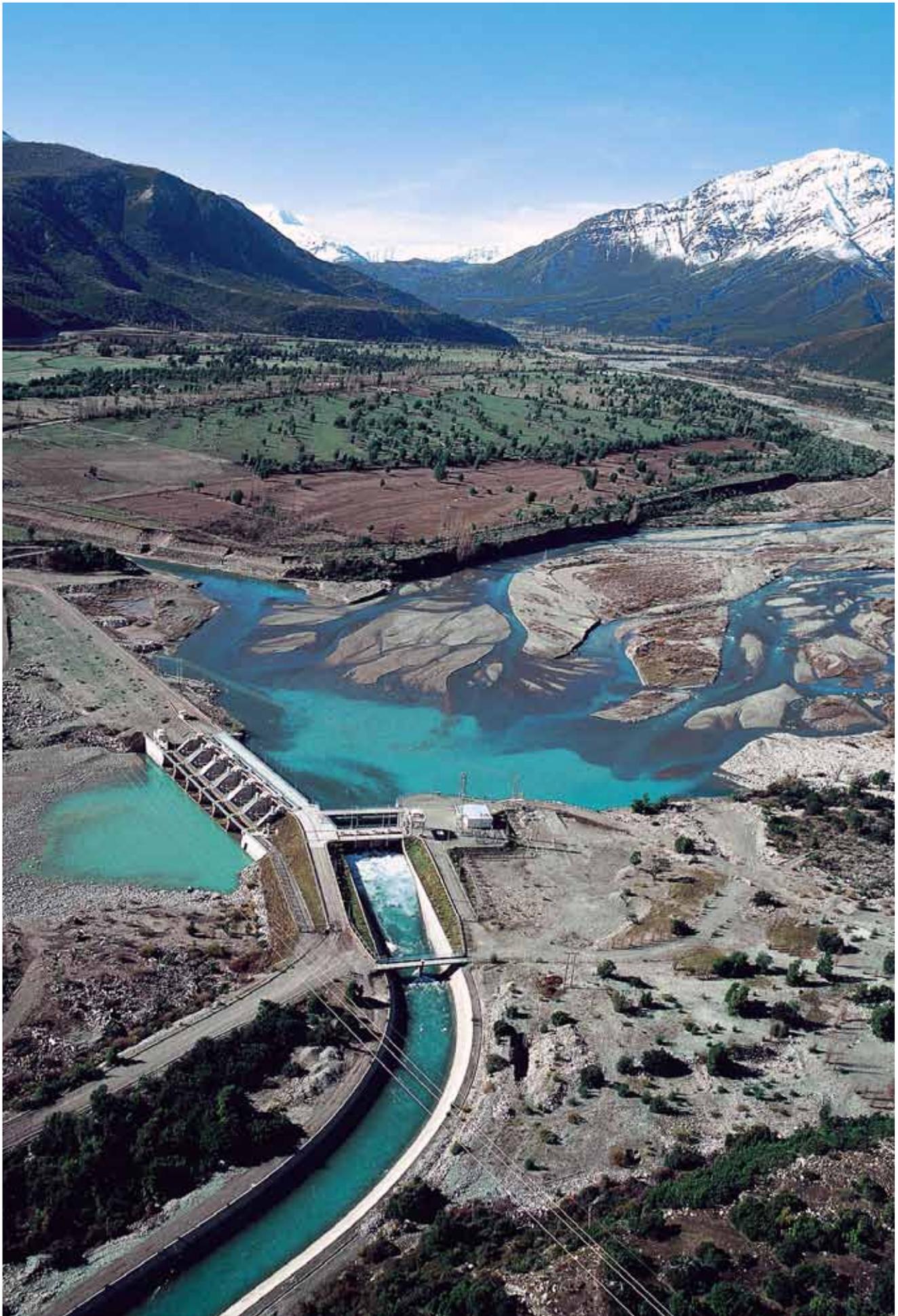
## 2013

The company was selected among the 100 companies included in the stock index of the United Nations Global Compact 100.



## 2014

The Los Cóndores hydroelectric power plant began construction. It will have an installed capacity of approximately 150 MW.





Customer Satisfaction Survey:  
**100%** of those surveyed are satisfied or fairly satisfied.



Three satellite regasification plants (PSR in its Spanish acronym) began operations, and the construction of a **FOURTH ONE ALSO BEGAN.**



**3,259** participants in the territorial committees of the C.H. Los Cóndores Project.



San Isidro and San Isidro II power plants receive **ISO 50001 CERTIFICATION.**



**C.T. BOCAMINA** restarts operations.



Development of **INTEGRATED CORPORATE MANAGEMENT** system.



**OCTOPULL**, a tool that was created by Endesa's Innovation area, is chosen to **PARTICIPATE IN THE WEB SUMMIT HELD IN DUBLIN.**



ChP \$302 million destined to social investment projects through the Pehuén foundation, **BENEFITTING 1,343 families.**



Total installed capacity **6,351 MW.**



**6.476** Energy for Education program benefits **6,476 students.**



The "Reconocernos" program awards **69 EMPLOYEES** of Endesa Chile.



**35,810 HOURS** of training for own workers.



**77%** Unionization Rate.



**220** own workers and **1,255** contractors participated in occupational health and safety training sessions.

# Message from the Chairman and Chief Executive Officer

**[G4-1]** For those of us that work at Endesa Chile, making the 2015 Sustainability Report available to the public and to the all stakeholders is very satisfying. This report allows us to communicate and render account regarding our management and the sustainability results obtained, from a perspective that incorporates social, environmental, and financial-economic aspects.

Endesa Chile, with over seven decades of history, has become the country's leading electricity generation company that stands out for the high quality and excellence of its activities. This accomplishment is founded on solid values and the exercise of good corporate governance practices through policies and mechanisms that safeguard probity and transparency, both in terms of organization as well as in commercial and social performance.

Within this context, during 2015 Endesa Chile strengthened its internal procedures in order to continue adopting the best corporate practices with regard to sustainability. Hence, during 2015, training and systematic information procedures at the Board level and communication channels and reporting to shareholders and the public in general consolidated.

These improvements build up the company's corporate governance and are aligned with the search for flawless performance. This concept was developed by the Group as a mandate that should be applied when performing any action, particularly when relating to stakeholders.

Continuing with our work in sustainability, during 2015 we strengthened our business perspective paying special attention to investment projects, taking into account each situation's characteristics and phase of development.

The articulation and presentation of a new Sustainability Policy responds to this new scenario, in which Endesa Chile has identified the need of a more effective answer when interacting with the communities. The progressive adoption of the "Creating Shared Value" model is consistent with this policy that establishes long-term relationships based

on the integration of ethical, social, and environmental goals, along with the indispensable search of profitability and business development.

Proof of the above mentioned in 2015 is the active and permanent presence on site of teams formed by employees from different areas and levels of the Company adopting best practices to improve communication, knowledge, dialogue, and mutual benefit agreements for communities, institutions and the Company itself.

As examples, the progress achieved through workshops on the Optimization project of the Tal Tal Combined Cycle and the power plants in the Bio Bio Region, as well as the field meetings and visiting programs involving executives meeting with workers at the Bocamina thermal power plant, along with dialogues with economic, social, and cultural actors.

Regarding the exercise of our social responsibility, this year we have continued to support education through our traditional Power-for-Education project. It is currently present in seventeen districts and has benefited over six thousand students.

Regarding environmental issues, during 2015 the company's management was focused not only on the strict enforcement of current laws and norms, but also on the introduction of effective and innovative answers to increasingly complex problems and demands.

In terms of continuous improvement and operational efficiency, we highlight the effort we made to achieve an Integrated Corporate Management System based on norms ISO 9001, ISO 14001, and OHSAS 18001 in order to be certified as "multi-location", in other words, implemented in Endesa Chile and all of its power plants, accomplishing important benefits for the company which are specified in the report.

We must also mention restarting the Bocamina thermoelectric power plant as a significant achievement,

after the implementation of a series of environmental and operational high tech improvements. The process required to reach this milestone was marked by arduous learning for everybody, enriching us in terms of experience and skills that we may apply in future projects.

All of the improvements that we have adopted regarding processes, operations and the environment have been possible due to technological advances and, most importantly, the continuous search for innovative solutions that allow establishing sustainable and competitive conditions.

This is how Endesa Chile has become the first company in the country to build satellite regasification plants, taking natural gas to Talca, Coquimbo, La Serena, and Los Andes,

and hence giving families an opportunity to have clean energy at competitive prices.

Endesa Chile's accomplishments during 2015 are sustained by the skills and talents of the 986 individuals that make up our team. This is why, during 2015, we continued with our effort to generate an optimal working environment through training, benefits, health, and workplace safety initiatives that are detailed in this report.

We would like to conclude this message by thanking each and every one of our employees and collaborators; it is with your technical and professional dedication, commitment, and excellence, that we are able to effectively address these challenges.



A handwritten signature in black ink, appearing to read 'Enrico Viale'.

Enrico Viale  
Chairman



A handwritten signature in black ink, appearing to read 'Valter Moro'.

Valter Moro  
Chief Executive Officer

Getting to know  
the Company





# The Company

## General description

[G4-3] [G4-4] [G4-5] [G4-6] [G4-9] Empresa Nacional de Electricidad S.A., Endesa Chile, is currently the main electricity generation company in Chile and one of the largest companies in the Country.

Endesa Chile produces electricity with renewable sources of energy, such as, water and wind, and technological generation systems that use coal, natural gas and liquid fuels (gasoil and fuel oil).

The company supplies its electricity to the Central Interconnected System (SIC in its Spanish acronym), covering the territory from Taltal to Chiloé, and approximately 93% of the population and also participates in the Norte Grande Interconnected Electricity System (SING in its Spanish acronym), covering Arica-Parinacota, Tarapacá and Antofagasta territory.

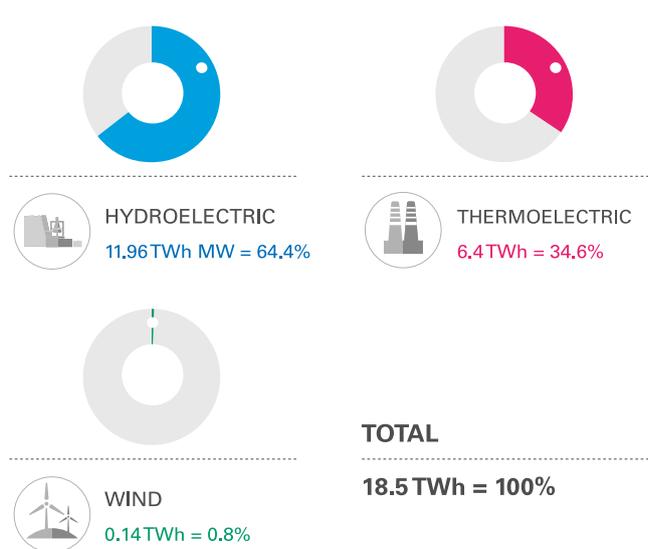
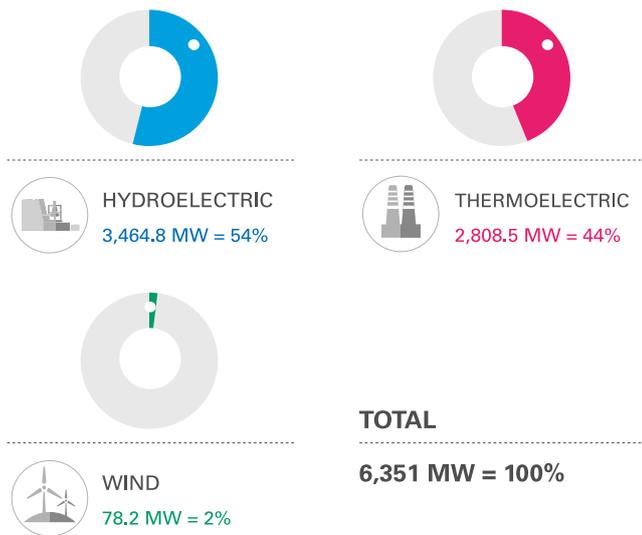
Endesa Chile, contributes a total of 5,389 MW to the SIC, equivalent to 33.8% of the energy connected to this grid. Total installed capacity of Endesa Chile connected to the SING is 962 MW, representing 18% of that network's capacity.

As of December 2015, the installed capacity of Endesa Chile was 6,351 MW, approximately 29.9% of the joint installed capacity of the SIC and SING together.

In addition to the generation business, the Company commercializes natural gas jointly with other companies throughout the country.

### Installed Capacity [EU1]

### Net electricity generation [EU2]





### 1. C.T. Tarapacá

N° of units: 2  
Type: Coal, Fuel & Gas  
Installed Capacity: 182 MW



### 2. C.T. Atacama (CC)

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



### 3. C.T. Taltal (TG)

N° of units: 2  
Type: Fuel & Gas  
Installed Capacity: 245 MW



### 4. C.T. Diego de Almagro (TG)

N° of units: 1  
Type: Fuel & Gas  
Installed Capacity: 24 MW



### 5. C.T. Huasco (TG)

N° of units: 3  
Type: Fuel & Gas  
Installed Capacity: 64 MW



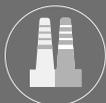
### 6. C.H. Los Molles

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



### 7. P.E. Canela y Canela II

N° of units: 51  
Type: wind farm  
Installed Capacity: 182 MW



### 8. C.T. San Isidro y San Isidro 2 (CC)

N° of units: 4  
Type: combined cycle  
Installed Capacity: 778 MW



### 9. C.T. Quintero (TG)

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



### 10. C.H. Rapel

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



### 11. C.H. Sauzalito

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



### 12. C.H. Sauzal

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



### 13. C.T. Bocamina (TV)

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

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16

Antofagasta Region

Atacama Region

Metropolitana Región

Maule Región

## 14. Maule Power Plants



### C.H. Curillinque

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



### C.H. Loma Alta

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



### C.H. Pehuenche

N° Units: 2  
Type: hydro  
Installed Capacity: 570 MW



### C.H. Ojos de Agua

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



### C.H. Cipreses

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



### C.H. Isla

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

## 15. Laja Power Plants



### C.H. Antuco

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



### C.H. Abanico

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



### C.H. ElToro

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

## 16. Centrales del Biobío



### C.H. Balco

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



### C.H. Palmucho

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



### C.H. Pangue

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



Hydroelectric power plants



Wind farms



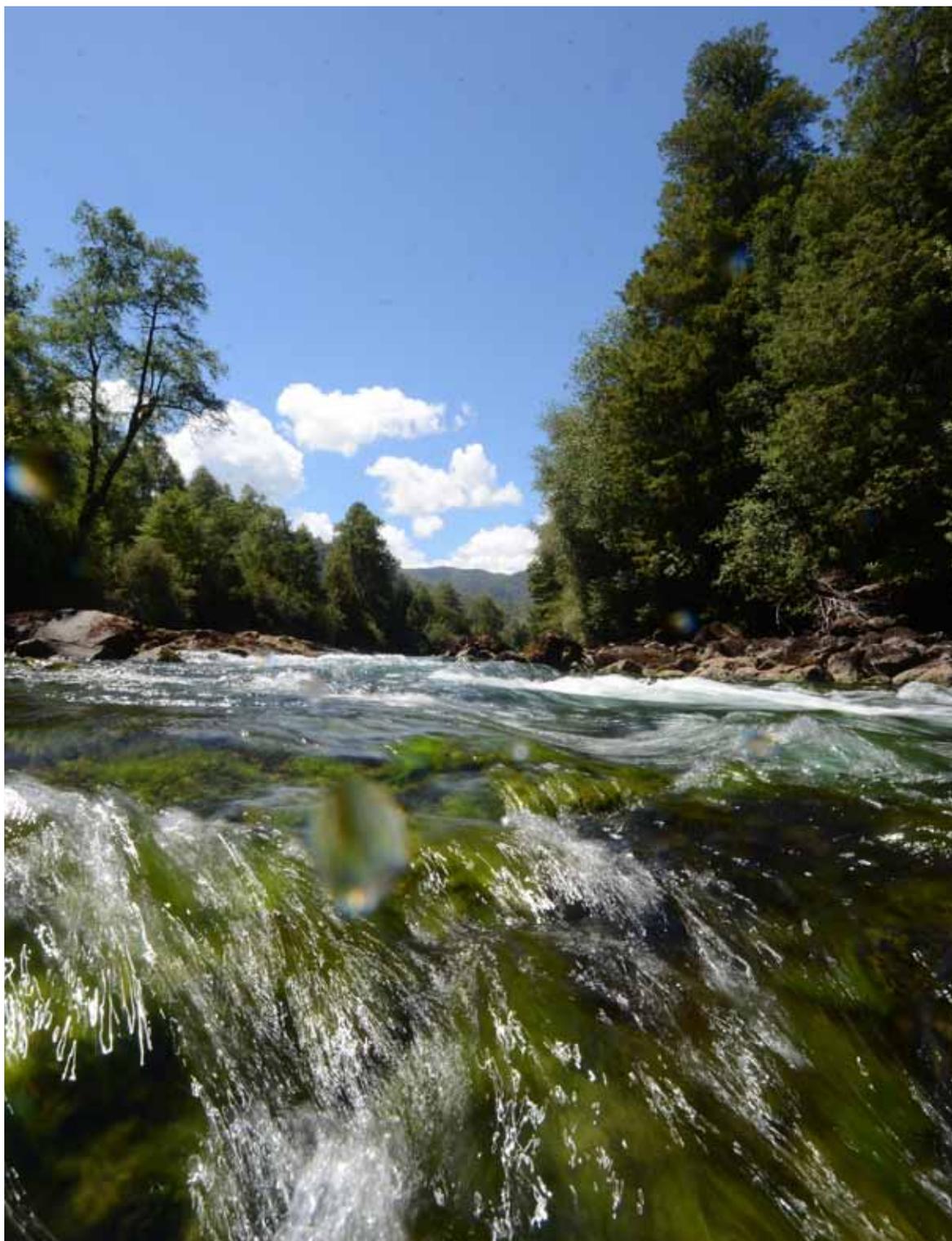
Thermoelectric power plants

- (CC): Combined Cycle
- (TV): Steam Turbine
- (TG): Gas Turbine
- N° of units: 105
- Installed Capacity MW: 6,352

# International Operations

Endesa Chile and its subsidiaries have operations in Argentina, Peru y Colombia, in addition to Chile. Facilities outside Chile include a total 54 power plants with a joint 14,715 MW installed capacity.

Through Enel Brasil, in partnership with Enersis, the Company participates in electricity generation, transmission and distribution in Brazil. Endesa Chile has 987 MW installed capacity in Cachoeira and Fortaleza, and 2 transmission lines with a total 2,100 MW capacity in CIEN. Endesa Chile operates the generation assets of Enel Brasil.



# Mission and Corporate Values [G4-56]

## Mission

Endesa Chile's mission is to generate and distribute value in the international energy market, benefitting its customers, its investors and the competitiveness of the countries in which it operates and the expectations of those that work for the Company. Endesa Chile is at service to the community, respecting the environment and individual's integrity with the commitment to ensure a better world for future generations.

## Values

The values of Endesa Chile are shared by the entire Company, surpassing geographical and cultural barriers. These values are the pillars that hold the company together.

### Responsibility

Each one of us, in every level of the Company, is responsible for the Group's success. Our energy is offered to others to improve quality and sustainability of their life.

### Innovation

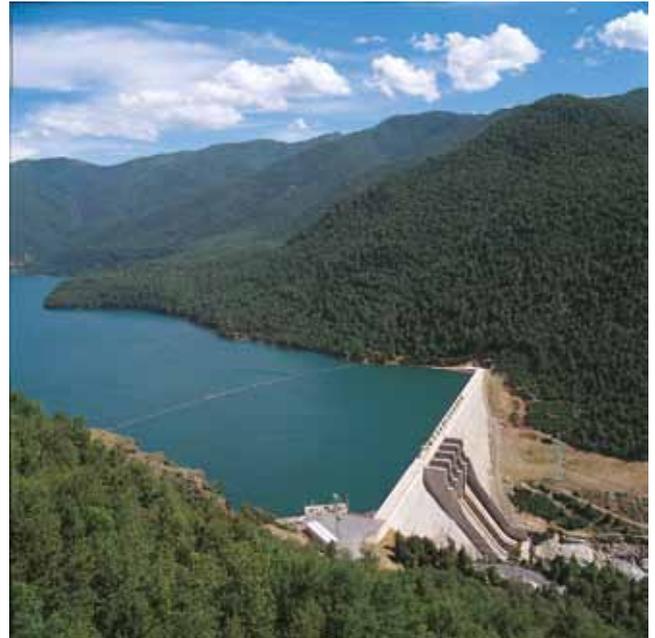
Curiosity is part of our life and work. We strive to exceed what's normal and overcome our fears, to take energy to new uses, technologies and people, to learn from mistakes and as well as from success.

### Trust

We are competent, honest and transparent to gain the trust of our coworkers, customers and outsourced employees, appreciating individual differences. We also trust in their capacity to create and share value.

### Proactivity

We consider ourselves directly responsible for our own work. We are continuously interpreting the worldwide scenario and challenges in order to be a step ahead of change, redefining our priorities if considered necessary.



# Ownership structure

**[G4-7]** As of December 31st, 2015, total share capital of the Company was 8,201,754,590 shares, subscribed and paid, held by 16,058 shareholders.

Shareholders	Number of shares	Shareholding
Enersis S.A.	4,919,488,794	59.98%
Pension Funds	1,240,717,438	15.13%
Others	516,303,427	6.30%
Stockbrokers, insurance companies & mutual funds	442,841,952	5.40%
Foreign investment funds	383,726,198	4.68%
Banco de Chile on behalf of third parties	370,816,851	4.52%
ADRs (Citibank N.A. per SVS Letter 1,375)	327,859,920	4.00%
TOTAL	8,201,754,580	100%

\* Source: Endesa Chile Annual Report 2015

Enersis S.A. is the controlling shareholder of Endesa Chile, holding a 59.98% direct shareholding and does not have an agreement with other shareholders.

During 2015, there were no transactions among major shareholders of the Company.

## New organizational structure

**[G4-13]** In May, 2015, the Enel Group disclosed a corporate reorganization proposal named "Plan Carter II", which was evaluated and modified during the year and finally approved in a shareholders meeting held on December 18th of the same year.

After a series of divisions and mergers of the companies controlled by the Group, Enersis Chile is created and currently controls the operations of Endesa Chile.

## Benefits of proposed reorganization

For a Company with a focus on sustainable growth, such as Endesa Chile, the reorganization process sets the grounds for more efficient and profitable operations. Among the benefits of the plan, the following are worth highlighting:

- > Greater operational flexibility and efficiency of existing power plants
- > Investment to recover and increase thermal power plant availability
- > Average size pipeline power plant project flexibility and development
- > Optimization of the gas projects portfolio
- > Investment in sustainability
- > Greater probability of measuring the results of businesses' performance

# Scope of the 2015 report

[G4-28] [G4-29] [G4-30] Endesa Chile presents its fourteenth consecutive Sustainability Report to show the Company's economic, social, and environmental performance to its different stakeholders and the public in general. This report discloses the Company's performance, based on corporate sustainability guidelines, for the year 2015.

[G4-22] [G4-32] [G4-33] With regard to the options presented by the Global Reporting Initiative, the Company has decided to prepare an essential sustainability report as defined by the GRI G4 standard. The report is verified by an external company, guaranteeing the veracity of the information presented.

[G4-17] In terms of scope and coverage, the report includes performance ratios of all Endesa Chile operations in Chile and generation subsidiaries in Chile, including: Empresa Nacional de Electricidad S.A. (Endesa Chile), Empresa Eléctrica Pehuenche S.A., Central Eléctrica Tarapacá S.A. and Gas Atacama S.A.



# New Energy Culture

## Energy Scenario in Chile

The electricity generation industry in Chile in 2015 operated in an economic slowdown scenario, with new incoming competitors, a changing regulatory and legal framework and a slightly better hydrology during the second half of the year.

Although society continued to be empowered and demanding, the magnitude of demonstrations was not as significant as previous years, possibly because their demands were taken into consideration by both the public and private sectors, translating into government policies such as, “Energia 2050” and greater response from the private sector.

The main factors that had an impact on the energy scenario during the year are included below:

### Legal and Regulatory Framework

The legal and regulatory framework continued to change. The year began with the approval of the SIC and SING interconnection and continued with the discussions of the bills that will directly impact the industry, such as, the Associativity Law, the tariff equality proposal, the Electricity Transmission Law and the reforms to the Water Code.

### Improved Hydrology

After five consecutive years of drought, during the second half of 2015, the level of rainfall in addition to snowmelt were able to reduce the water deficit, thus assuring a season with sufficient water in the main reservoirs, and directly affecting the cost of electricity.

### Economic Slowdown

The price of copper experienced a very drastic fall that impacted the mining and industrial sectors and the domestic economy in general. At the same time, the main stock markets worldwide suffered the greatest fall since 2011 with declining prices of commodities. Despite this scenario, the investment amount in energy projects was first in the list in Chile when compared to other industries.



## Energy Agenda

The government has seen progress regarding the challenges of the Energy Agenda 2014-2018. In addition to the discussion regarding the regulatory framework, the “*Hoja de Ruta 2060*,” referring to a roadmap, was launched. This roadmap is a guide for the development of an Energy Policy that will lead to sustainable and inclusive energy for the country and give the State a more active role in guaranteeing an integrated, strategic and long-term planning process.

## Projects and Investments

**[G4-DMA EC]** In accordance to the corporate commitment to sustainability, Endesa Chile decided to only develop new projects that represent a real contribution to social, environmental and economic sustainability in the vicinity of its power plants and to do so through a collaborative process with the local community. This includes decisions regarding smaller projects, in other words, of up to 300 MW.

**[G4-EC2]** Furthermore, the new corporate strategic vision, taking climate change into consideration, focuses on renewable energies as opposed to conventional technologies. The Group and the environmentalist ONG Greenpeace signed an agreement materializing this new strategy and committing to gradually eliminate coal based electricity generation. This means that the Company will not develop new thermoelectric projects that use this fuel, therefore contributing to the reduction of CO<sub>2</sub> emissions.

# Open Power

As a consequence of the latest social trends, the Enel Group decided to radically change its way of doing business. The focus now is to interact in a more integrated way with stakeholders, paying special attention to sustainability and innovation.

This new approach was formalized in a corporate strategy named Open Power. This strategy was disclosed in November 2015. Its cornerstone is the “Open” concept that is included in the following 5 guidelines:

1. Open energy/electricity to more people
2. Open energy/electricity to new technologies
3. Offer new forms of energy/electricity and people management
4. Add new uses to energy/electricity
5. Add more alliances to energy/electricity

Endesa Chile agrees with the strategic and operational approach of Open Power and collaborates with stakeholders in order to create a mutual benefit environment that allows to move towards an energy transition.



# Good Governance and Code of Conduct

## Corporate Governance Structure

### Board of Directors

**[G4-34]** **[G4-38]** In order to comply with current regulation, internal policies and international guidelines, Endesa Chile has the following corporate governance structure:

A Board of Directors with nine members, elected for a three year period and can be re-elected. The entire board of directors was renewed in the 2015 Ordinary Shareholders' Meeting. The controlling shareholder is the one that elects 5 of the 9 board members, none of which simultaneously holds a position as executive of the Company. The board is currently comprised by 7 men and 2 women.

In case of death, resignation, bankruptcy, incompatibilities or limitations of job positions or others that disable a director from performing his/her functions or makes him/her cease them, the total renewal of the company board must take place.



**1. CHAIRMAN**

**Enrico Viale**

Civil Hydraulic Engineer  
 University of Santa Clara, California  
 Passport: YA5599835  
 Since 04.11.2014

**2. VICE CHAIRMAN**

**Ignacio Mateo Montoya**

Mining Engineer, Specialist in Energy & Fuels  
 Universidad Politécnica de Madrid  
 Masters in Energy & Environment  
 Universidad Politécnica de Madrid  
 Master's degree in Business Administration  
 Escuela de Negocios IESE  
 Passport: 50830706Q  
 Since 04.11.2014

**3. DIRECTOR**

**Vittorio Vagliasindi**

Nuclear Engineer  
 Universidad La Sapienza, Italy  
 Passport: AA3780593  
 Since 04.11.2014

**4. DIRECTOR**

**Francesca Gostinelli**

Environmental Engineer  
 Masters in Management, Energy Economy and Environment  
 La Scuola Enrico Mattei (MEDEA)  
 Passport: YA5001859  
 Since 04.28.2015

**5. DIRECTOR**

**Francesco Buresti**

Electronic Engineer  
 Universidad Degli Study de Bologna  
 Passport: YA610409  
 Since 26.04.2012

**6. DIRECTOR**

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**Enrique Andres Cibié Bluth**

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**Jorge Atton Palma**

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 Postgraduate in Project Management and Assessment  
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 Since 04.27.2015

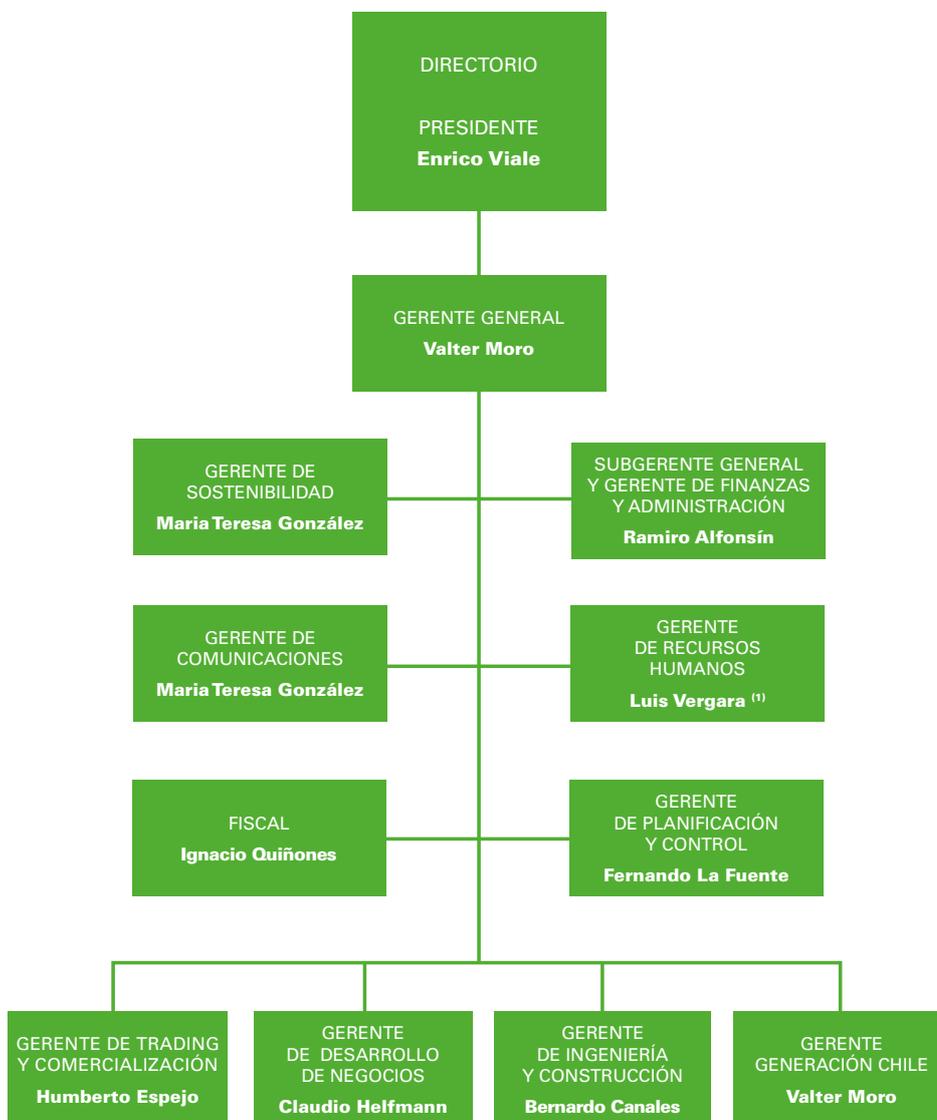
# Good Corporate Governance Practices

[G4-43] [G4-44] In June 2015, the Superintendence of Securities and Insurance (SVS in its Spanish acronym) issued General Norm N° 385 aiming to improve the information reported by publicly traded companies regarding corporate governance, including the disclosure of social responsibility and sustainability matters.

From then on, the Company strengthened its internal procedures responding to the corporate governance best practices referred to by the SVS. As a consequence, during 2015, the Board of Directors approved the following procedures:

- > Continuous training and improvement procedures for the Board of Directors
- > Orientation procedure for new board members
- > Procedure to inform the background of candidates to the board to shareholders

Both the training and the orientation for board members considers covering sustainability subjects. Also, as of January 2016, as stated by General Norm N° 385, quarterly meetings shall be held with the sustainability officer of the Company to reinforce the Company's commitment to the matter.



1. Luis Vergara replaced Federico Polemann on April 1<sup>st</sup>, 2016

# Corporate Ethical Behavior

**[G4-41]** Endesa Chile has norms and a conduct code that obliges its members to behave with integrity regarding all groups of interest (shareholders, workers, suppliers, customers, and authorities among others) establishing the ethical grounds for sustainability practices.

## Zero Corruption Tolerance Plan

**[G4-41]** **[G4-DMA SO]** Endesa Chile openly disapproves all forms of corruption, either direct or indirect, and applies a program to fight against bad practices named Zero Corruption Tolerance Plan (TCC in its Spanish acronym), which identifies the activities most exposed to this type of risk.

The program establishes a framework to deal with bribery situations; political party donations; charities and sponsorships; favors and gifts; expense financing. The mechanism is applied according to criteria recommended by the International Transparency organization.

The Company has additionally trained its employees on the Lobby Law. To do so, Chile Transparente offered the lecture "Lobby Regulation and Private Interest Management" that presented the definition, the implications and the scope of Law No 20,730, which regulates this activity and the management of private interests.

This workshop was organized by the Group and hosted by Alberto Precht, managing director of *Chile Transparente*, as part of an arrangement agreed upon in 2014. Several executives attended the event having the chance to be informed on the fundamentals, regulation, objectives and practical application of the Lobby Law.

**[G4-56]** Furthermore, the company continues working and implementing actions within each of the aspects considered a priority, such as:

- > Human Rights Policy
- > Ethics Code
- > Investigating complaints received through ethics channel
- > Global diversity policy
- > Transparency plan
- > Manual for Handling Information of Interest to the Market
- > 231 guidelines
- > Internal audit
- > Penal risk prevention Model

For more information regarding each one of these aspects, go to Endesa Chile website:

<http://www.endesa.cl/es/conocenos/gobierno/Paginas/home.aspx>

## Donations to Political Parties

**[G4-SO6]** Endesa Chile refrains from exerting any unlawful pressure, either directly or indirectly, on politicians. The Company does not finance political parties nor representatives or candidates other than allowed by current legislation, particularly Law No 19,885, or the rules and regulations that amend it or replace it and that is additionally approved by the Board of Directors. The company does not sponsor events related to political propaganda either.

## Conflict of Interest Complaints

**[G4-58]** **[G4-SO5]** In 2015, a conflict of interest complaint was presented referring to an ex-employee who was hired on a project by project basis that was managing the contract of a company where his brother worked. The employee did not inform this situation and therefore the Company adopted the following measures:

- > Carry out an investigation of the situation, time in which the contract with the company in which the brother worked, expired.
- > The contract of the project in which the employee accused was working on expired in late June 2015 and was not renewed.

## Participation in Public Policy

**[G4-DMA EC]** In order to contribute to the sustainable development of the energy industry, Endesa Chile considers that participating in government activities related to the sector is fundamental.

During 2015, the Chilean Government, through the Ministry of Energy, developed a participative planning process to design the long-term energy policy named “Energia 2050.” The objective was to build a shared vision of the future of the industry, with the required social, political and technical endorsement.



## Fines and Penalties

### Monetary Value of Fines and Penalties

**[G4-SO8]** In 2013, the Superintendence of Electricity and Fuel (SEC in its Spanish acronym) fined the Company for a black out that took place in 2010. During 2015, the Superintendence of the Environment initiated legal processes to impose sanctions on certain facilities due to violations of environmental regulations. Ruling on some of these processes are still pending, while fines of others have been paid amounting to a total Ch\$4.5 billion.

In 2015, the health authority fined the Company Ch\$21,597,319 for supposedly not inspecting the safety equipment given to each worker to remove asbestos.

During this period, Endesa Chile was sued for supposedly not complying with the contract being carried out to comply with the noise regulation Supreme Decree No 38 of the second unit of the thermal power plant Bocamina. At the time this report was completed, both parties were negotiating to reach an agreement.

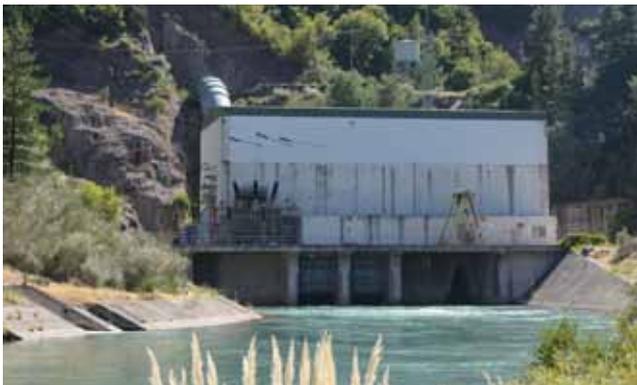
Content		Total	
Administrative or judicial fines imposed on the Company due to Non-compliance with Laws and regulations.		2013	<b>1</b>
	(Total)	2014	<b>1</b>
		2015	<b>2</b>
			<b>210.95</b>
Monetary value of significant fines	(millions of pesos)	2013	<b>210.95</b>
		2014	<b>4,551.72</b>
		2015	<b>4,573.66</b>
			<b>0</b>
Total number of non-monetary sanctions	(Total)	2013	<b>0</b>
		2014	<b>0</b>
		2015	<b>0</b>
			<b>0</b>
Lawsuits against the Company Seeking arbitration	(Total)	2013	<b>0</b>
		2014	<b>0</b>
		2015	<b>1</b>
			<b>0</b>

# Acknowledgements

## Membership to Local, National and International Associations

**[G4-15]** **[G4-16]** Endesa Chile actively participates in several organizations to motivate initiatives that promote sustainable development of the electricity sector and the country.

- > Acción
- > Generators Trade Association (Asociación Gremial de Generadores, AGG, in Spanish acronym)
- > Maule Region Industrials Association (Industriales del Centro Región del Maule, ASICENT, in Spanish acronym).
- > Chilean Argentinean Chamber of Commerce (Cámara Chileno Argentina de Comercio).
- > Concepción Chamber of Commerce and Production (Cámara de la Producción y del Comercio de Concepción, CCPC, in its Spanish Acronym).
- > Economic Load Dispatch Center (Centro de Despacho Económico de Carga, CDEC, in its Spanish acronym) of the central interconnected system, SIC, in its Spanish acronym.
- > Chilean Committee of the International Council of Large Electricity Networks (Comité Chileno del Consejo Internacional de Grandes Redes Eléctricas, CIGRÉ, in its Spanish acronym).
- > Production and Trade Confederation (Confederación de la Producción y el Comercio, CPC, in its Spanish acronym).
- > Development Corporation of the Communities of Puchuncaví and Quintero (Corporación del Desarrollo de las Comunidades de Puchuncaví y Quintero).



- > Corporation for the Development of the Atacama Region (Corporación para el Desarrollo de la Región de Atacama, CORPROA, in its Spanish acronym).
- > National Chilean Committee of Large Dams (Comité Nacional Chileno de Grandes Presas, ICOLD, in its Spanish acronym).
- > Chilean Engineers' Institute (Instituto de Ingenieros de Chile).
- > International Hydropower Association.
- > Manufacturing Promotion Association (Sociedad de Fomento Fabril, SOFOFA, in its Spanish acronym).
- > Chilean Global Compact Network.

## ALAS20 2015 AWARD

Endesa Chile is honored with the fourth place in the ALAS 20 2015 "Leading Companies in Investor Relations," category. This recognition is based on the annual study of sustainability and responsible investments of the Sustainable Leaders Agenda 2020, ALAS20.

The Company's disposition and professionalism when interacting with investors, financial analysts, and regulators is highlighted, making relevant corporate information for investment decision making available to the capital market.

ALAS 20 is an initiative of GovernArt, a Latin-American relational consultant firm that promotes and acknowledges outstanding companies, investors and professionals in terms of leadership, and their contribution to sustainable development.

# Defining Priorities





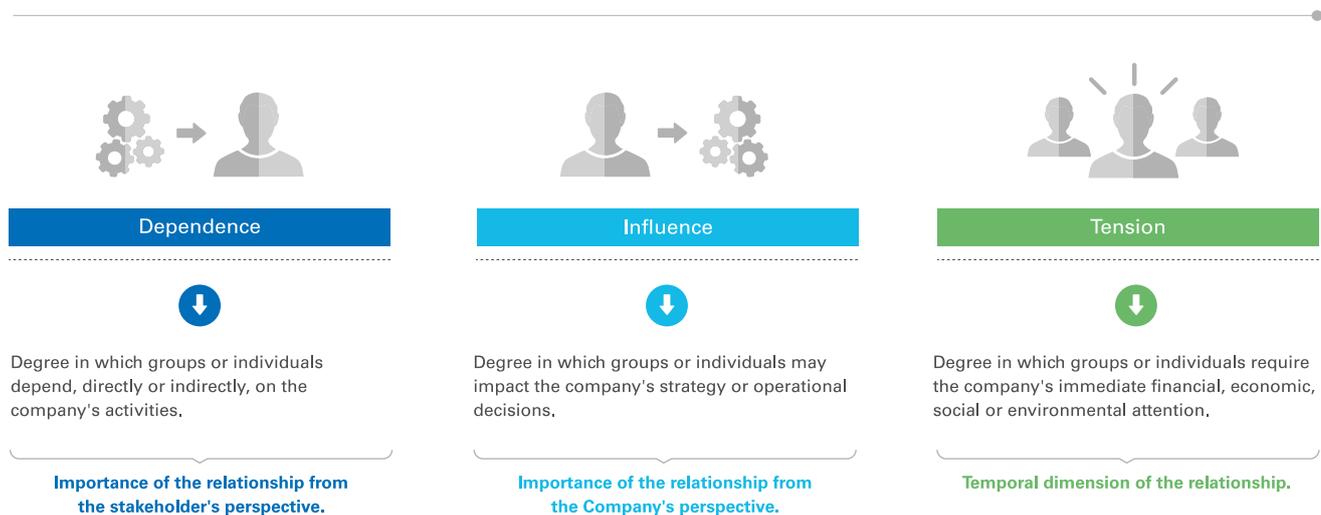
# Stakeholders

## Definition of stakeholders

[G4-24] [G4-25] [G4-26] [G4-27] Endesa Chile systematically uses a methodology to identify and prioritize stakeholders, both at the corporate level and at the local operations level, to effectively manage the communication and the relationship with them.

The stakeholders analyzed are those included in a matrix defined at the corporate level based on variables established by the AA1000 Stakeholder Engagement Standard (AA1000SES) and the G4 Guide of the Global Reporting Initiative.

### The importance or priority of each stakeholder is analyzed according to the following parameters

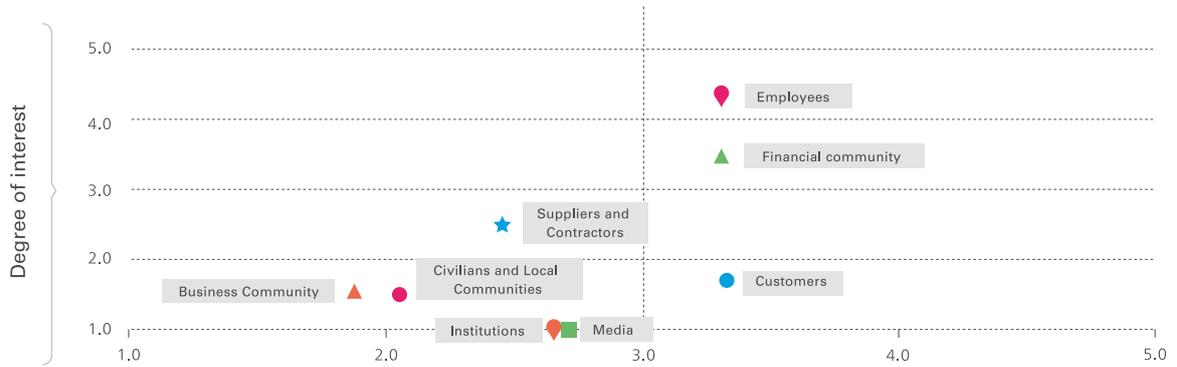


Source: G4 Global Reporting Initiative Guide to prepare Sustainability Report, Implementation Manual.  
Available at: HYPERLINK <http://www.globalreporting.org/www.globalreporting.org>

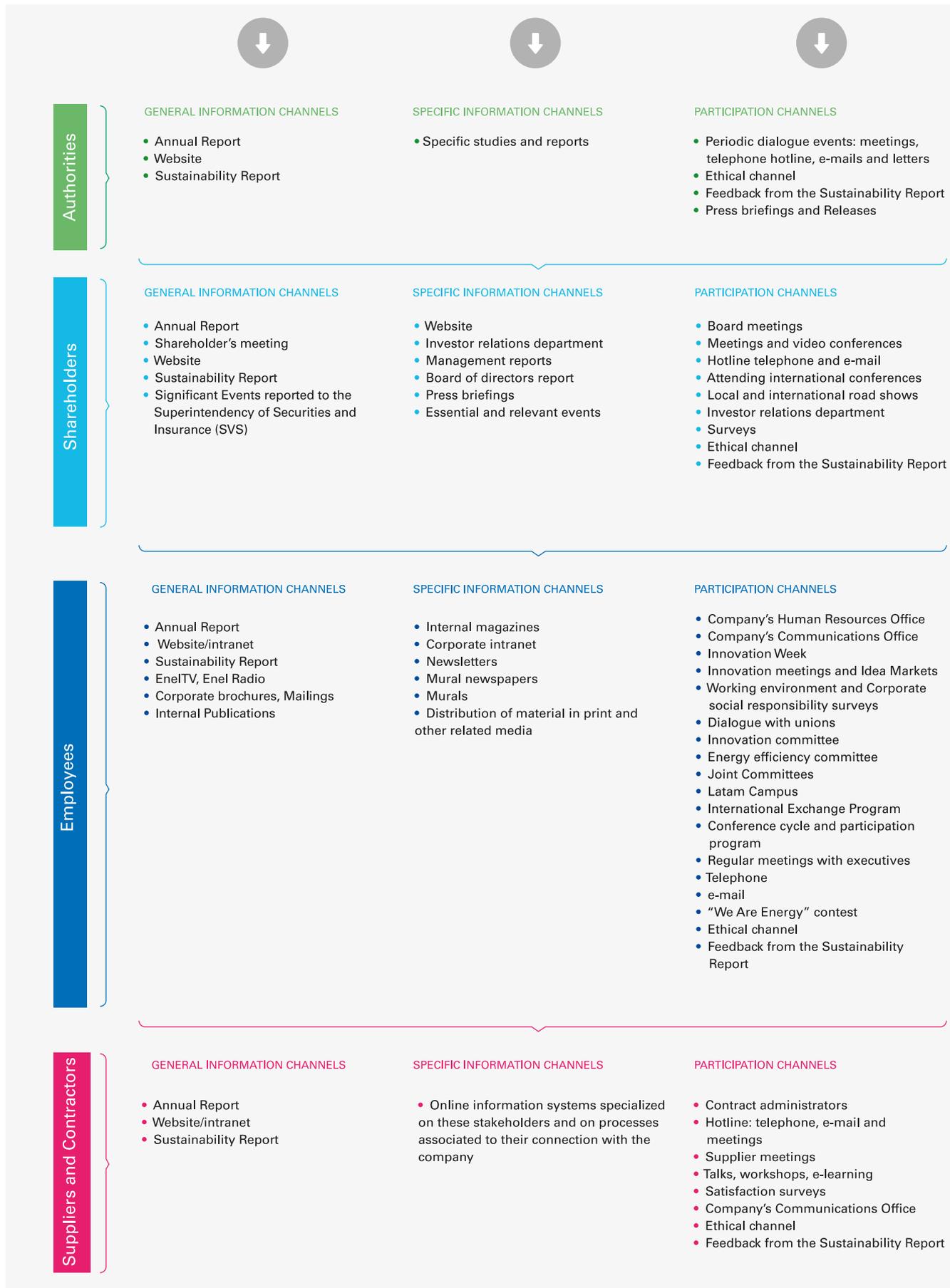
Each parameter is evaluated and classified according to a scale that considers five levels of importance allowing to determine a degree of influence in the Company towards the different stakeholder and vice versa.

# Stakeholder Matrix

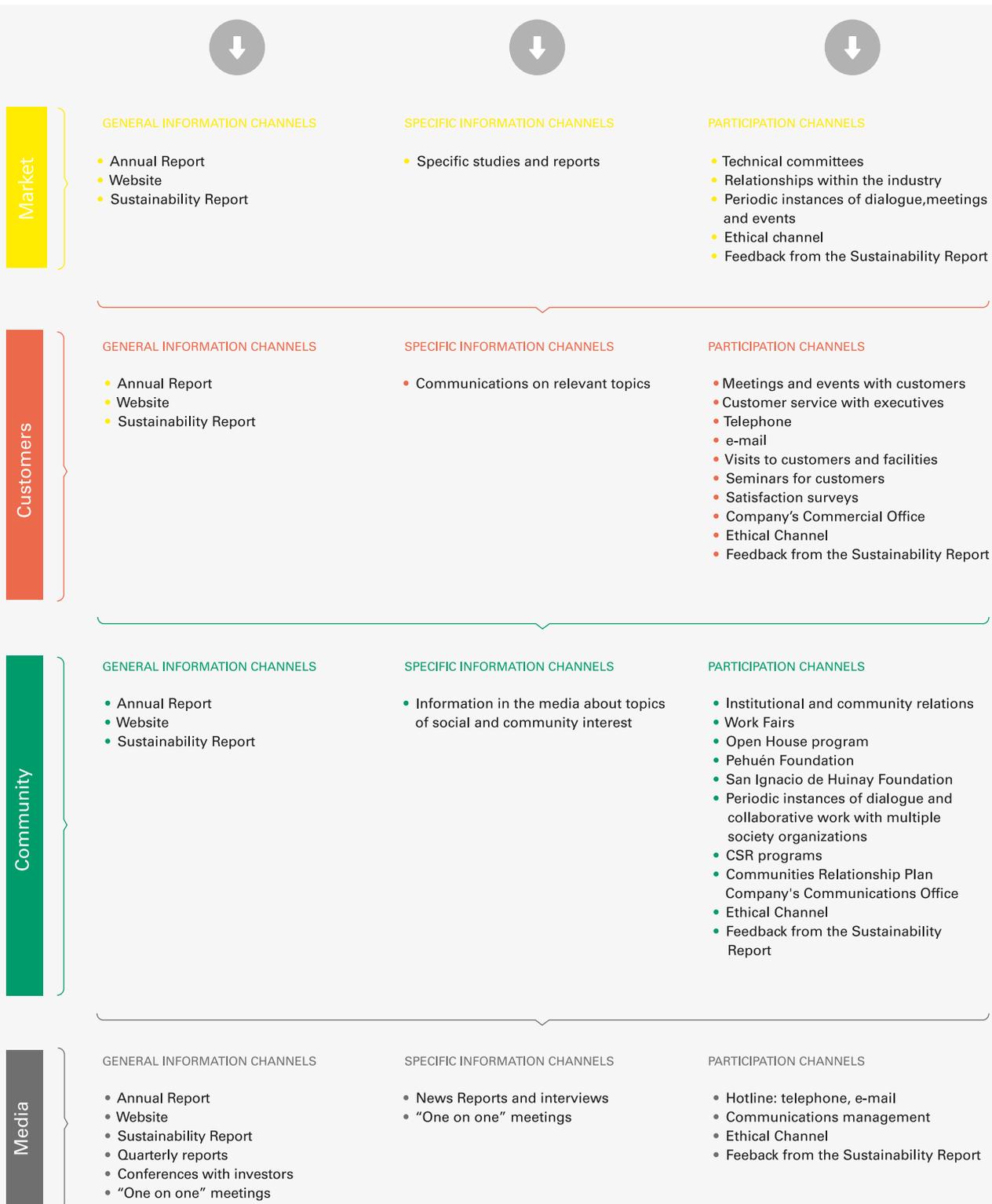
The following matrix shows the results of the analysis based on the dimensions previously mentioned:



# Stakeholder Relationship Mechanisms



Endesa Chile maintains permanent and direct communication with its groups and subgroups of interest. The means through which the Company strengthens its internal and external relationships are summarized below:



# Priority Analysis: Materiality Study

**[G4-18]** The materiality analysis performed for the 2015 Sustainability Report of Enersis Chile was developed using the corporate materiality matrix, based on the GRI G4 methodology that considers the interests and expectations of stakeholders and the Company itself, regarding three dimensions: Governance/Government [Gobierno] and Businesses, environment, and social aspects.



## GOVERNMENT AND BUSINESS



- Financial performance
- Corporate governance
- Fair corporate behavior
- Traditional technology
- Renewable energies
- Innovation and operational efficiency
- Energy and service efficiency
- Customer relations quality



## ENVIRONMENT



- Climate strategy
- Environmental impact mitigation
- Responsible use of water
- Biodiversity and nature protection



## SOCIAL

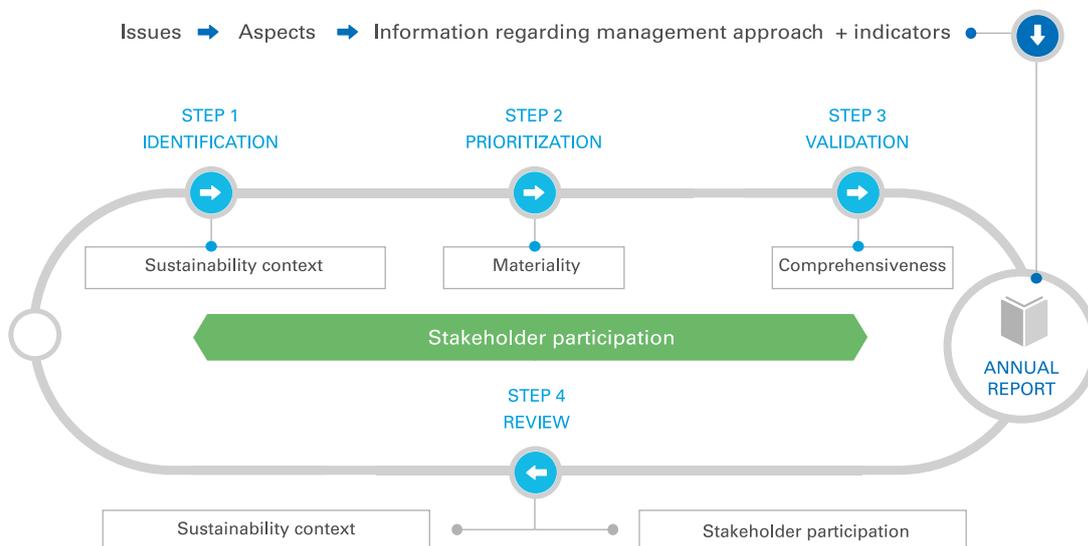


- Work, development and motivation management
- Occupational health and safety
- Responsible relationship between communities and operations
- Support and development of local communities
- Sustainable value chain

The outcome of this process allows the Company to identify if its strategic priorities are aligned with the priorities of its stakeholders. This allows the Company to make adjustments with regard to topics that should be considered when planning sustainability activities, and also analyze the importance of each topic in order to manage the relationship with stakeholders adequately.

# Stages in the Process of Defining Material Topics

The identification of the most significant topics to include in this document was performed by going through the following stages:



## Identification

The development of the identification stage was based on the corporate material topics tree, which considers the subjects that are relevant to the Company, the industry and stakeholders.

## Prioritization

A quantitative method was used to prioritize the information obtained based on evaluating each topic in terms of two variables:

- > The importance of the topic to stakeholders
- > The importance of the topic to the Company

The following primary and secondary information was considered in the process of evaluating the importance of each material topic:

### Primary

- > Interviews with the representatives of the different levels and areas of the Company
- > Interviews with stakeholder representatives

### Secondary

- > Information disseminated by local, national and international media
- > Internal corporate documentation
- > Company releases to the market or specific stakeholders

This analysis allowed the Company to prioritize the most relevant topics in terms of sustainable management, which are the topics covered in the different sections of this report.

### Validation

**[G4-43]** The identified and prioritized material topics are reviewed in the validation stage. The review is performed by meeting with Company executives to present the results of the materiality process, which allows to define the structure of the report and the depth of the analysis of each topic.

# Determination of Material Topics

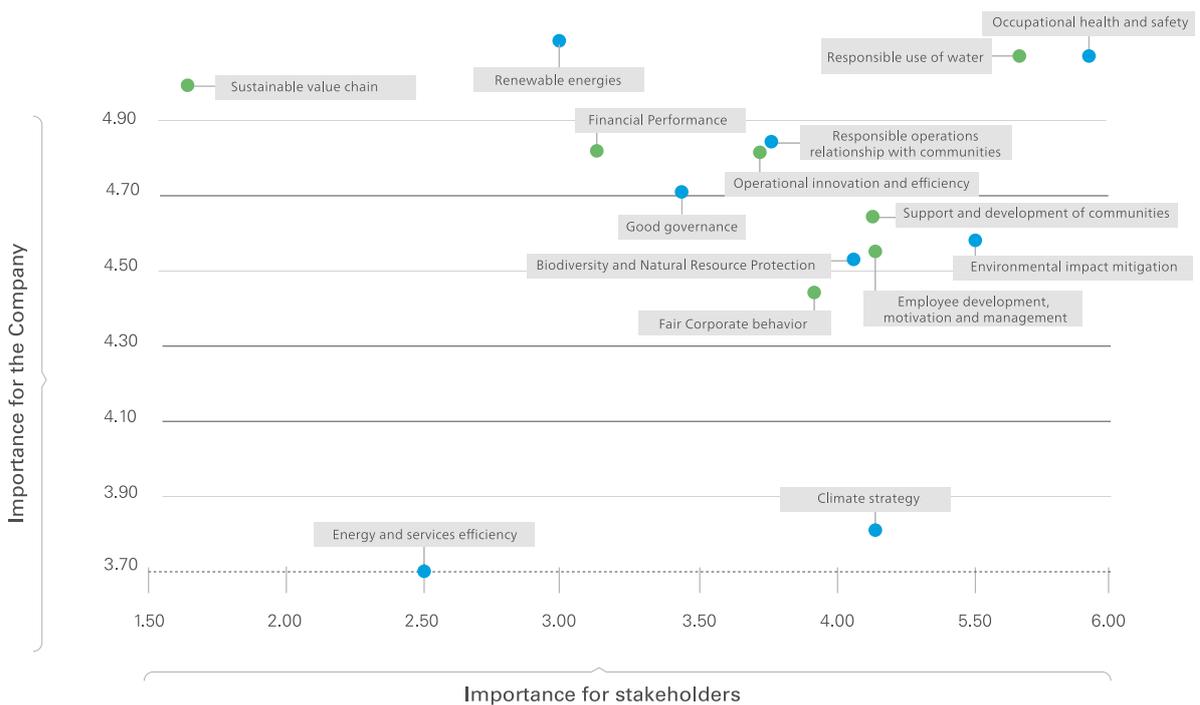
[G4-19] [G4-20] [G4-21] [G4-23] [G4-27] The material topics that are covered with greater detail in this report are listed below:

HIGH PRIORITY			
↓	↓	↓	
SUBJECT	Scope		MATERIAL ASPECT
• Occupational health and safety	• Internal • External	• Endesa Chile • Contractors	• Workplace health, safety
• Responsible use of water	• External	• Local communities	• Water
• Environmental impact mitigation	• Internal • External	• Endesa Chile • Inspector	• Energy • Regulation compliance
• Support and development of local communities	• External	• Local communities	• Local communities
• Employee motivation, development and management	• External • Internal • Internal	• Endesa Chile contractors • Endesa Chile • Endesa Chile	• Employment • Training and education • Equal opportunities and diversity
• Occupational health and safety	• Internal	• Enersis • Contractors	• Workplace health, safety
• Financial Performance	• Internal	• Enersis • Controlling Shareholder	• Economic performance
• Employee motivation, development and management	• Internal • Internal • Internal	• Enersis • Contractors • Enersis • Enersis	• Employment • Training and education • Equal opportunities and diversity.
• Biodiversity and natural capital protection	• External	• Inspector • Local communities	• Biodiversity
• Responsible operational relationships with communities	• External	• Local communities • Local communities • Indigenous communities Regulator Inspector	• Complaints mechanisms for social impact • Local communities • Indigenous population rights
• Operational efficiency and innovation	• Internal	• Endesa Chile	• Research and development

MEDIUM PRIORITY

SUBJECT	Scope		MATERIAL ASPECT
• Fair corporate behavior	• Internal • Internal • Regulator	• Endesa Chile • Endesa Chile • Regulator	• Ethics, integrity • Fight against corruption • Regulation compliance
• Good governance	• Internal • External	• Endesa Chile • Endesa Authorities	• Governance • Public policy
• Climate Strategy	• External	• Regulator	• Emissions
• Renewable energies	• Internal	• Endesa Chile	• Research and development
• Financial performance	• Internal	• Endesa Chile	• Economic performance
• Energy efficiency and services	• Internal	• Endesa Chile	• Energy
• Sustainable value chain	• External	• Endesa Chile • Suppliers • Contractors	• Evaluation of supplier labor practices
• Traditional technology	• Internal	• Endesa Chile	• Research and development
• Customer relationship quality	• External	• Endesa Chile • Customers	• Product, services labeling

Material Topics Matrix



# ▮ Sustainability Plan





During 2015, a corporate sustainability policy was developed whose main guideline is responsible growth, involving the integration of social and environmental opportunities into the strategy and the management model and focusing on shared value creation (CVC in its Spanish acronym). The aforementioned allows combining Company profitability and business development objectives with ethical, social and environmental objectives. This new approach offers social and economic benefits for all players involved and guarantees the integration of sustainability and operations.

The Sustainability Policy covers the following dimensions: Economic- Government and Performance Analysis -Persons management- Environment-Social Surroundings

## Sustainability Plan

### Dimensions:

Economic- Government and Performance Analysis -Persons management- Environment-Social Surroundings.

### Guidelines



Fuente: Grupo Enel.

# Sustainability Policy and Community Relations Chile



The Company is aware of the impact that its business activities may have on the environment, standard of living, economic development and the overall wellbeing of society. Endesa Chile has a strong commitment to promote social development of the communities surrounding its facilities by culturally integrating them, respecting them and searching for common visions, creating shared value when possible and protecting the environment.

This sustainability policy states and commits to certain guidelines and principles to ensure a real and effective contribution to social, communal, environmental and economic management by identifying and acknowledging the different cultural profiles that exist within the communities, and identifying areas of common ground and disagreement in order to build a shared vision of the territory through a dialogue process.

The construction of the projects with the communities is essential to achieve the objectives of the Sustainability Policy. These projects are primarily placed within the scope of: electricity access improvement; social and economic development of local communities; and operational efficiency to achieve sustainability.

## Principles:

Principles regarding work with communities

Principle 1: "Be present" – Relationship and involvement.

Principle 2: "Understand the culture" - Get to know the cultural profile of the territories.

Principle 3: "Develop and integrate cultures" – Creation of collaboration instances

Principle 4: "Be consistent" - Coherence among business processes

Principio 5: "Learn and improve" – Reporting and continuous improvement

# Commitment Accomplishment and New Challenges

The level of accomplishment and management of commitments shown below refers to those included in Enersis' 2014 sustainability report and established in meetings with different areas of the Company.



CUMPLIDO



PARCIAMENTE  
CUMPLIDO



NO CUMPLIDO

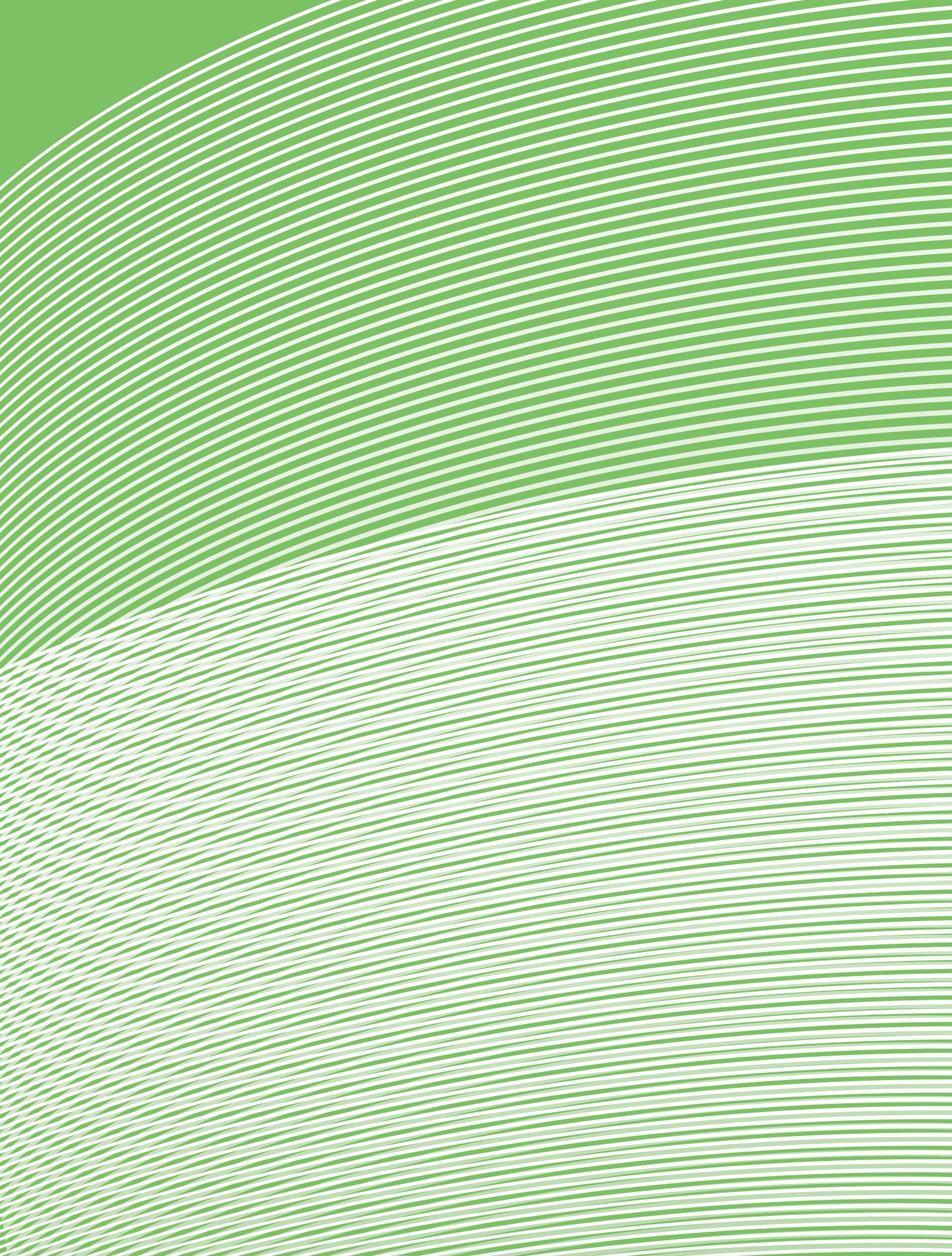
Topic	Commitment	Level of Accomplishment	Gestión
Good governance	Update self-regulation of traded companies to General Rule 341 of SVS according to new rules to be issued by SVS		Page. 22
Fair corporate behavior	Diffuse and communicate the Ethics Channel		Page. 15 In 2015 diffusion was reinforced by companywide mailing
Fair corporate behavior	Develop online criminal risk prevention model course		Course to be offered 1 <sup>st</sup> Sem. 2016
Financial performance	Improve financial and commodity risk control policies and procedures Risk management strengthening.		Risk map updated periodically within NCG 385 that replaces NCG 341
Financial performance	Start-up of Bocamina II thermal power plant		Page. 8
Innovation & operational Efficiency	Redefine project portfolio in the region		Page. 16
Customers	Offer seminar to customers in Valdivia, Concepcion And Santiago		Page 66
Customers	Take customers to visit hydroelectric plants In Maule region		Page 66
Innovation & operational Efficiency	Continue implementing innovation projects related to new Corporate structure		Page 44
Innovation & operational Efficiency	Perform innovation training at Company power plants		Page 44
Innovation & operational Efficiency	Perform at least one innovation program with universities and/or excellence centers		Page 47
Innovation & operational Efficiency	In line with Company's energy efficiency policy continuously improve certified management systems		Page 63
Occupational health and safety	Consolidate HSE units in production centers and HSE&Q in generation Workforce management development and motivation Implement new corporate guidelines in workforce management		Page 86
Workforce management	Implement new corporate guidelines in workforce management		Page 71

Topic	Commitment	Level of Accomplishment	Gestión
Occupational health and safety	Strengthen self-care to control risks		Page 83
Occupational health and safety	Focus workplace safety actions on critical risks ie. fall from a significant height and electricity risk		Page 84
Occupational health and safety	continue working to achieve zero accident goal		Page 84
Local communities' support and development	Develop policy on community relations within sustainability strategy		Page 48
Local communities' support and development	Define, implement specific relationship strategies, plans and actions for the territory surrounding group facilities& projects		Page 41

The challenges proposed for the following period were defined during the process of preparing this report, though interviews with representatives of the different departments of the Company. Enersis' 2016 Sustainability Report must present the performance with regard to these challenges.

Topic	Challenge 2016
Good Governance	Continue integrating sustainability practices as viewed in NCG 385 that replaces NCG 341
Fair corporate behavior	Continue diffusion and communication of Ethics Channel
Good Governance	Launch Criminal Risk Prevention Model course during 1st semester 2016 for entire Company
Support & development of local communities	Strengthen local suppliers
Environmental impact mitigation	Begin to carry out specific action plans based on environmental and legal non-compliance issues identified of each plant of the Company
Environmental management continuous improvement	Carry out action plans based on environmental audit and implement ECOS to achieve group's best practices
Sustainable Value Chain	strengthen the ex-ante supplier rating considering business standards, occupational health and safety, labor and environmental compliance
Workforce management development and motivation	Continue improving workplace environment regarding the reorganization of the Company
Workforce management development and motivation	Implement more initiatives related to diversity, materializing the Global Policy within the Company
Support & development of local communities	Frame sustainability within the company by making the company sustainable building trust with communities
Support & development of local communities	Deepen relationship with communities where Company is not yet present, such as northern region of Chile
Occupational health and safety	Reduce accident frequency index by 30% when compared to 2015
Occupational health and safety	Implement Safety Moving Pool (SMP) in all major power plant stoppages
Occupational health and safety	Promote Stop Work policy
Occupational health and safety	Implement Safety Moving Pool (SMP) in all major power plant stoppages
Occupational health and safety	Extend Safety Personalized Plan (SPP) to contractors/outsourced workers

# Our Performance



# Innovation



**[G4-DMA EC]** Innovation along with sustainability represent a strategic pillar for Endesa Chile, and an element of differentiation that provides a competitive advantage in the electricity generation industry.

Therefore, the Company makes sure it maintains and improves its leadership position in this regard, working in a systematic, organized and transversal manner to create an environment and culture that fosters innovation practices, which along with research and development, contribute to adding value to Endesa Chile's businesses.

During 2015, the Research and Innovation department established contact with global collaborators, enriching the work that is being done in this area. Also, efforts were made to take innovation practices to the field, to operational jobs, leading to progress in the development of several projects.

## Innovation Culture

**[G4-DMA EC]** Endesa Chile considers crucial to have a workplace environment that encourages innovation and that is materialized through projects that contribute to process competitiveness and efficiency.

The following activities to strengthen the innovation culture and motivate all company employees were carried out in 2015:

## Training Activities

Training is a key instrument to develop an innovation culture because it involves the active participation of employees. During 2015, the Seminar on Innovation Management is worth highlighting. An activity organized along with the business School of the *Universidad de Los Andes*, in which workers from Santiago and other regions were able to deepen their understanding of tools and methodologies known for their effectiveness, such as, "NABC" or "Pitch Canvas" that aim towards idea generation.

Workshops on tools and dynamics of innovation, dendrochronology, and talks and specialized workshops about subjects such as, "San Luis Substation control system replacement" and "Hydrology Modelling" also took place.



## Innovation week

Endesa Chile participated in the Technology Fair that was part of the 2015 Innovation Week, whose slogan was "Your idea is the future." The Company presented two projects developed by the business line: the Octopull tool, which applies the Last Planner philosophy to projects under development, and a composting method applicable to the Los Cóndores project to sustainably deal with the organic waste produced during the construction phase.

## Capture Ideas Program

It is about searching for solutions to real challenges by using a collaborative participative method. As opposed to previous years, in 2015, the program was specific. Before the actual process to capture ideas, there was a training stage on innovation tactics and instruments. Three contests were performed during the year, 25 ideas were received, and eight of them have great potential.



The contest focused on employees located in the Laja and Bio-Bio basins were particularly interesting. It allowed the Company to be aware of the needs in the territory where operations are located. Three ideas were selected from this process and were awarded with a prize and are currently under study to possibly be implemented.

## Communication and Diffusion

In 2015, the internal communication media, Enel Radio, added a new slot to inform the main activities regarding research and innovation in electricity generation as a means to reach all areas of the Company and motivate employees to get involved in the innovation culture.



"To infinity and beyond" is transmitted weekly and has become a creative and inspiring program whose main characters are authors or active participants of innovation projects.

# Technological Innovation in Generation Processes



## 3D Visualization

**[G4-DMA EC]** It is a mobile application that allows the user to visualize a power plant in 3 dimensions, walk through it, select equipment and obtain technical information such as blueprints, data and others. The app also allows visualizing information of the equipment in real-time, if it is available in the PI servers of the Monitoring and Diagnosis Centers. This project is taking place at San Isidro thermal power plant and it will be soon available at Tarapaca power plant.

## Meter Reading

It is a system to read analog meters through enhanced vision. This application uses a tablet or smartphone to visualize an analog meter and a QR identification code. The system then takes the reading of the meter and converts it to a digital format and sends it to a data base. The pilot project is being developed at the Rapel hydroelectric power plant.

## Last Planner Project

The pilot project is a software that uses the Last Planner methodology. This initiative gave birth to the "Octopull" tool that is currently an application that allows the participants of a project to communicate in real-time in a chat environment, available for web or cellular phones, supported by either iOS or Android.

This successful application was selected by google among thousands of ideas to be presented at the Web Summit held in Dublin in November 2015. The world class event joins the main leaders in technological initiatives and business ventures.

## Dendrochronology

Dendrochronology is the discipline that studies past environmental changes by analyzing the growth rings of trees. Dendrochronology studies have been used to rebuild 400 years of history of river Fuy. If positive results are obtained they may be used to rebuild basins that have no hydrology history which will imply reducing study costs and reducing risks related to project design.

## Sulfate Filters at San Isidro

A prototype was developed, with the *Universidad de Santiago*, intended to create a low cost, high performance matrix to recover sulfate by using ashes of a thermal electric power plant, modified with mesoporous material.

## Social Innovation

The research and Innovation department of Endesa Chile, in 2015, participated in the social innovation initiatives and introduced new dynamics into processes and business ventures to build social value, and simultaneously contribute to the sustainability and competitiveness of the Company in the industry.

Within this context, the Company is developing two projects that aim to reduce poverty, working with the families of fishermen from the coves close to Tarapaca and Bocamina power plants. These initiatives involve tourism training and the development of new business ventures for the families involved and the community in general.

# Social Development and Trust

**[G4-DMA SO]** The sustainability policy that guides Endesa Chile' performance is a roadmap which establishes responsible company growth with the full integration of social and environmental opportunities into its business model. Within this framework, keeping responsible community relationships, and maximizing Shared Value Creation (CVC in its Spanish acronym) in the long-term are identified as guidelines of the Company.

With this purpose in mind, in 2015, the Company developed a corporate strategy based on this model in order to establish a long term relationship with local communities and incorporate ethical, social and environmental objectives along with profitability and business development. This new approach creates social and economic benefits for all stakeholders and guarantees including sustainability as a transversal dimension of Endesa Chile's value chain.

In this regard, and continuing with the action plan that began in 2014, the Company has been consistently working at opening doors towards the communities, playing an active role and keeping fluent communication with the communities in the territories in which the Company has operations.

The goal is to build trust and dialogue, as basic elements for Shared Value Creation.

## Community Relationship Strategy: Shared Value Approach

**[G4-DMA SO]** Endesa Chile maximized economic and social value, creating positive returns for the Company and the communities surrounding its operations, by including a Shared Value Approach to its community relationship strategy.

The point is to identify projects by searching for opportunities and developing alliances that create new resources and abilities to increase our competitiveness and simultaneously face the most urgent issues the community faces within the territory where the projects are to be carried out.

In order to achieve this goal, it has started to implement the Strategic Sustainable Development Plan (PEDS in its Spanish acronym) methodology to evaluate the comprehensive feasibility of its generation projects incorporating communities in early stages of the project. This model establishes assumptions, such as, the early inclusion of communities, building permanent relationships based on trust with them, designing the project as a collaborative process involving stakeholders and implementing specific Shared Value plans in each territory.

## Education

**[G4-SO1]** The search for Shared Value with the community, intending to deeply understand the local culture and work together, in a collaborative manner allowing to develop social capital and paying special attention to education, represents a new way of doing business.

This is why one of the main pillars of Endesa Chile's commitment to community sustainable development is education. This is portrayed in a strategy regarding the relationship with educational facilities neighboring the Company's operation facilities within the *Endesa Educa* framework, a Corporate Social Responsibility strategic plan which includes other initiatives, such as, the Energy for Education Program.

## Energy for Education Program

**[G4-SO1]** This program responds to the needs of vulnerable students that live in the areas surrounding the Endesa Chile generation facilities. This initiative specifically focuses on three subjects: equipment and infrastructure, training and family support.

6,476 students benefitted.

597 teachers benefitted.

Present in 17 districts.

Working with 43 educational institutions.

### Outstanding activities carried out in 2015

#### > Notebook Supply

The students of the Energy for Education Program received a notebook with definitions and advise on energy efficiency, energy resources and ways to care for the environment, among other related aspects.

#### > Movies at School

There were 31 shows of billboard movies shown, taking culture closer to those who don't have access to this type of activity.

#### > Educational Modules: "Energy: Life Circuit"

A total of 37 educational modules about sustainable energy were offered. The material was prepared by PROED for students from 5th to 8th grade.

Each module involves Active Science method training and kits that include all necessary elements to perform specific activities with solar, wind, hydro, biomass energy and generation and use of electricity.

# Potential Social Impact of the Construction and Operation of Power Plants [G4-SO2]

Impacts	Initiatives	Involved stakeholders
Human and social environment		
Increased population density	Establish specific programs to support, municipal and local utility management, when the increase of floating population will change access to local goods and services	Local authorities. Neighboring communities. Workers.
Changing the spatial concentration of human groups	Implement a relocation plan for the residents directly affected by the project's works.	Local and regional authorities. Neighboring communities.
Modification of migration processes	Educate and sensitize workers to avoid possible conflicts with the local community	Neighboring communities. Workers. Contractors.
Effects on the economically active population	Measures that enhance positive impacts: -Preferring, if degree of training is the same, hiring local labor. -Conduct training with local communities so they have activities during construction.	Local authorities. Neighboring communities. Workers.
Construction environment		
Alteration of infrastructure	- Establish a coordination program with authorities to transport large or heavy equipment - Prefer, given similar safety levels, low traffic roads to transport materials, supplies, equipment and machinery	Local authorities. Travelers and tourists. Neighboring communities. workers.
Cultural heritage		
Loss of sites or items which are Cultural Heritage	- Inform and train workers by means of talks are Cultural Heritage on what to do in the event that cultural items are found during construction. - Conduct an archaeological rescue of those items or artifacts which may be conserved off site	Authorities. Workers. Contractors.

# Endesa Chile's Performance within Territories

**[G4-DMA SO]** Endesa Chile has power plants throughout the country, from the Tarapaca Region to the Bio Bio Region. It also has projects under development further south into the Rivers Region.

The Company participates through local development plans related to education although its main efforts are focused towards community management at power plants and projects which have been at risk or have had difficulties to be economically and operationally sustainable.

## Norte Grande Region

The Norte Grande Region covers the Arica and Parinacota, Tarapaca and Antofagasta Regions. The Company has four power plant operations in the Norte Grande Region: Tarapaca thermal power plant, Taltal thermal power plant, Diego de Almagro thermal power plant, and GasAtacama thermal power plant in addition to the optimization project of the Taltal combined cycle.

Endesa Chile' Energy for Education Program is present in educational institutions within the Iquique and Taltal districts.



### Optimization of Taltal Combined Cycle

Location: **Antofagasta Region/Taltal Province and District.**

Endesa Chile organized a workshop in the cove Caleta Paposo, with the purpose of building a long term relationship with the community that lives in the area.

Several local organizations participated in the event: the neighborhood council, the rural drinking water committee and the fishermen unions No 1, No 2 and No 3, the Catholic Church, the sports club and the youth association.

The Antofagasta Regional Secretariat of the Ministry of Energy and the representatives of the Participation and Dialogue Unit of the Ministry of Energy also participated in the event.

## Norte Chico Region

The Norte Chico Region covers from the southern area of the Atacama Region to the Aconcagua River, located in the northern part of the Valparaiso Region. The Company operates the Canela Wind Farm (includes Canela 1 and Canela II), the hydroelectric power plant Los Molles, the thermal power plant Huasco and thermal power plant Quintero in this territory. The company relates to the Monte Patria, Canela, and Huasco districts by means of the Energy for Education Program.

### Endesa Chile helps Canela after the September 16<sup>th</sup> earthquake

Within the context of the Company's commitment to the communities in which its facilities operate, Endesa Chile helped the Canela district that was the epicenter of the 8.4 magnitude earthquake and affected the north central area of the country on September 16<sup>th</sup>, 2015.

The Company donated nearly 2,000 work tools, personal protection elements, emergency tents and materials to the Canela Municipality to rebuild the community, located in the Coquimbo Region.

Representatives of the Company also visited the schools located in Canela Alta and Totoral that participate in the Energy for Education Program and were severely affected by the earthquake.



## Quintero Thermal Power Plant

Location: **Valparaiso Region/Valparaiso Province/Quintero District.**

Related communities: **Loncura, Ventanas, Quintero and Puchuncavi.**

In 2015, Apprentice programs and scholarships were granted as the continuation of the job placement programs for young individuals from the Puchuncavi and Quintero districts as part of the Clean Generation Agreement (APL in its Spanish acronym) signed in 2011. It is a six month internship program.

Within this context, the Social Scholarship program, implemented for the second consecutive year, allows training the population from both districts.

Additionally, in 2015, the Company performed an electro mechanic assembly, installation and maintenance course in Quintero that was attended by 15 people.



## Central Region

The central region of the country goes from the Aconcagua River, located in the Valparaiso Region, to the Biobio Region.

This is the territory where most of Endesa Chile's generation power plants are located.

Community management performance is presented below:

## San Isidro Thermal Power Plant

Location: **Valparaiso Region/ Quillota Province and District.**

Related communities: **San Pedro and Quillota.**

In 2015, the lack of hydrology in the Quillota Province affected the water supply for refrigeration of the San Isidro Natural Gas Facility. In order to offset this deficit, the company transported water from different locations, and also coordinated solutions for the communities equally affected, such as, water supply, clearing riverbeds and capacitaciones ??

The community work in Quillota involved scholarships allowing to train 20 people in business venture related subjects.

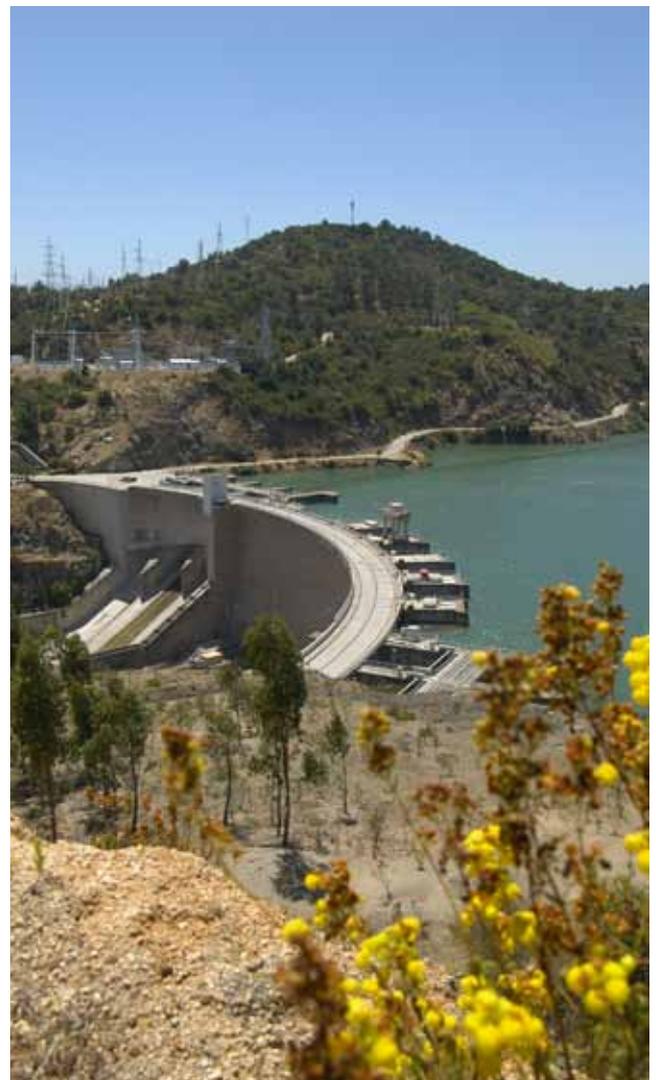


## Rapel Hydroelectric Power Plant

Location: **Libertador Bernardo O'Higgins Region/Cardenal Caro Province/Litueche District.**

Related communities: Litueche, Navidad and Las Cabras.

During 2015, the collaboration agreement with the Development and Protection of Lake Rapel Corporation (CODEPRA in its Spanish acronym), a non-profit organization whose purpose is the conservation of the reservoir, experienced some progress. The agreement involves a financial contribution by Endesa Chile - jointly with Agrosuper and Codelco- to equip the Algae Monitoring System.



# Maule Region Power Plants

The Company owns Curillinque, Loma Alta, Pehuenche, Ojos de Agua, Cipreses, and Isla, all hydroelectric power plants in the Maule Region, in addition to Los Cóndores project.

The community work in the region is presented below:

## Los Cóndores Hydroelectric Power Plant Project

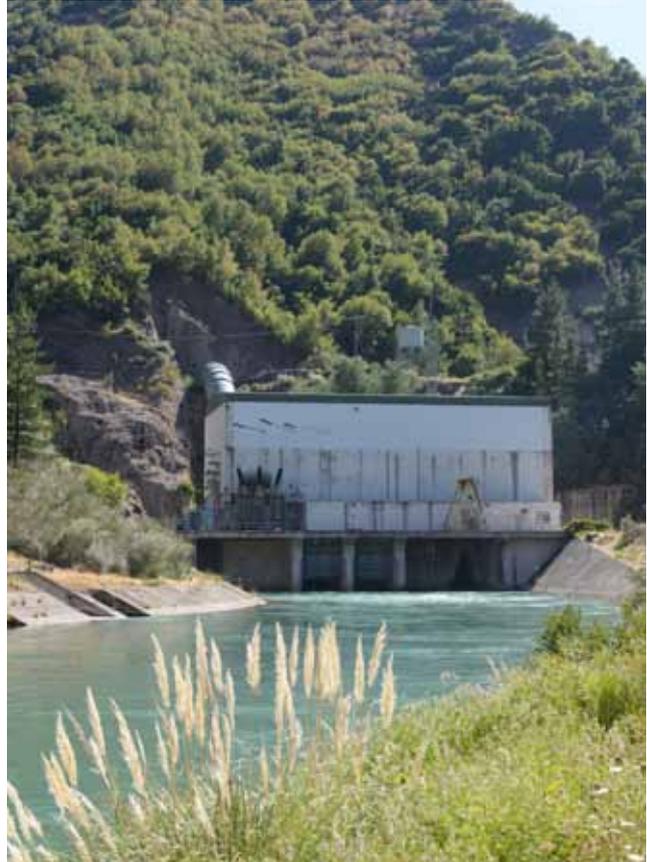
Location: **Maule Region/Talca Province/San Clemente District.**

Related communities: **San Clemente, Colbun.**

Round tables were organized during 2015 to create relationships with local San Clemente and Colbun organizations and support their social demands. During this period, 3,259 individuals participated in the round tables.

The Open House Program was also improved. It is a space for annual thematic meetings and daily attention to concerns representing an instance of dialogue between Endesa Chile, neighbors, farmers, social organizations, and authorities. In 2015, Open House received 1,461 visitors.

The Company also implemented the Power Plant Visiting program. A similar initiative with the purpose to explain the generation process and the technical characteristics of the project to the community. A total of 897 people visited the power plant during 2015.



The Company implemented 23 initiatives to bring the community in this area closer to the Company. These activities focused on creating shared value through alliances with local organizations and in which the Company contributed Ch\$931,808,003.

The activities with the community were directed primarily to sports and recreation, tourism, social services, local institutions, productive development, community infrastructure, education and culture.

**3,259** participants in Endesa Chile's round tables.

**1,461** people participated in the Open House Program.

**897** people participated in the Power Plant Visiting Program.

Developed **23** social initiatives.

Investment: **Ch\$931,808,003**

## Leading programs

### Irrigation System Technology Transfer

This initiative intends to improve the management of irrigation by transferring technology. It is directed towards small farmers from the San Clemente district and members of the Agricultural Development Institute (INDAP in its Spanish acronym) and the Local Development Program (PRODESAL in its Spanish acronym) participants.

The program began in 2015, it is to last 2 years and includes seminars, courses, on-site training, technical bulletins and installing three meteorology stations in the Mariposas, Bramadero and Bajo Lircay areas amounting to a total Ch\$127.5 million investment.

### Education

Within the Energy for Education framework, Endesa Chile promoted four initiatives in the San Clemente district, which benefitted teachers and students from seven educational institutions.

The activities concentrated on the development and promotion of sports, particularly soccer and basketball; training programs for teachers; and acknowledging outstanding students. The investment amounted to Ch\$29,247,525.

## Southern Region

This region begins at the Biobio River. The Company has the Bocamina Thermal Power Plant, the Biobio river hydroelectric power plants and the Neltume hydroelectric project in this territory.

### Bocamina Thermoelectric Facility

Location: **Biobio Region/Concepcion Province/Coronel District.**

Related communities: **El Esfuerzo, El Mirador, La Colonia and Cerro Obligado.**

Currently, the main objective of the Company is to advance and sustain its Social Plan with the Coronel community. This plan emphasizes a territorial long-term approach in addition to promoting initiatives that arise from the communication and participation of different social players.

As an example of the above, in 2015 progress achieved through dialogues with the resident associations of El Esfuerzo, El Mirador, La Colonia and Cerro Obligado and also involving local and national level authorities.



**[G4-DMA SO] [EU20] [EU22]** Within the context described above, the Relocation Plan of the 720 families that lived in the communities surrounding the Bocamina thermal facility, some without proof of ownership, was much easier. This Plan was implemented in coordination with the leaders of the Housing Committee, the Coronel Municipality, the Biobio Region Housing and Urban Development Government Office (SERVIU in its Spanish acronym) and was financed and managed by Endesa Chile and Serviu.

The Company contributed with the purchase of land and housing plans, and also with support in moving belongings and legal advice regarding the inscription of their ownership titles.

As of December 2015, only 7 families are still within the perimeter of the power plant.

With regard to the improvement of socioeconomic conditions of these communities, the following are the main programs implemented in 2015:

### **Energy for your business venture:**

It responds to the need of promoting the initiatives of people that perform either formal or informal, commercial or productive activities, and that are permanent residents of the Coronel community. The fund allows financing 60 initiatives, in addition to offering the advice and services of a company who specializes in this type of programs. The annual amount committed to this program is Ch\$300 million.

### **Shared Value Fund:**

The Company contributes Ch\$180 million for the life of the Bocamina II power plant (30 years) to the Coronel Development Municipal Corporation to be used on energy efficiency initiatives, education, and social and economic development initiatives.

The Shared Value Agreement also included other players located in the affected area and that are impacted by the operation of the power plant.

### **Social Collaboration Fund for fishermen, algae collectors, shore collectors, and charqueadoras**

It arises from the dialogue with associations and fishermen unions, algae collectors, shore collectors and charqueadoras from Coronel.

This agreement represented the beginning of a new phase, whose objective is to build instances of collaboration and agreement between Endesa Chile, the communities, and the authority to achieve long-term relationships based on shared values in order to have a common vision regarding the sustainable development of Coronel. This implies:

- > To develop within a Corporate Sustainability Policy that identifies the local relationship as strategic.
- > Generate a permanent and systematic relationship, searching for opportunities to create Shared Value.

### **Social and Communal Responsibility**

The Social Plan of Coronel considered a new nursery school which was inaugurated in 2015 in Rayun (La Peña area) with the capacity to receive more than 100 boys and girls. The facility resulted from an agreement subscribed by the Coronel Municipality, the Fundación Integra and Endesa Chile.

Another communal and educational promotion initiative was the 2015 version of the grade school soccer tournament Copa Endesa Chile –Coronel, developed within the Energy for Education program. More than 300 students from 19 schools participated in this activity that aims at strengthening positive values related to sports and recreation.

# Biobio Power Plants

The Company has three hydroelectric power plants, Ralco, Pangué and Palmucho, located in the Alto Biobio area of the Biobio Region, an area with a significant Pehuenche population.

**Ralco, Pangué and Palmucho** hydroelectric power plants.

[G4-HR8] [G4-DMA SO] [EU22] Location:

**Biobio Region / Biobío Province / Alto Biobío District.**

Related communities: 12.

The operations of Endesa Chile in Alto Biobio impact 12 communities with 1,500 families approximately 7,000 people.

Round tables were organized year round with eight communities: Pitril, Callaqui, El Avellano, Aukin Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, and Ayin Mapu. These tables are formed by the leaders of the community and Endesa Chile's dialogue team.

Endesa Chile is evaluating the possibility of having round tables with the other four communities (located in Cajón del Queuco) considering the guidelines within the scope of sustainability and community relations.

8 round tables.

More than 1,500 families in the affected area.

More than 7,000 people in the affected area.

Ch\$302 million directed to social investment projects Pehuén foundation.



### Drinking Water for the Rural Callaqui Area

As part of The Company's commitment to the life quality of the communities affected by its power plants, Endesa Chile financed part of the drinking water project for the Callaqui community.

This initiative that brings drinking water to 115 families, approximately 575 people, arises from the needs stated by the authorities and representatives of the communities. It required a Ch\$200 million investment by Endesa Chile.

### Repairing the Laguna El Barco Camp Site Installations

This initiative considers repairing bathrooms and cabins of the camp site in order to improve the service provided by the Pehuenche Community from El Barco to tourists that visit *La Laguna El Barco* located in the same area.

The Project has a direct impact on the 103 families that belong to the community and nearly 4,000 tourists that visit during the summer. Endesa Chile invested Ch\$11.2 million.

Some of the leading projects are presented below:

## Pehuen foundation

The Pehuén Foundation is a nonprofit organization that was founded by Endesa Chile in 1992 to improve the quality of life, development and sustainability of the Pehuenche Communities that are neighbors to its hydroelectric power plants.

The programs and initiative benefit more than 800 families that belong to the communities: El Avellano, Aukin Wallmapu, Callaqui, Pitril, Quepuca Ralco, Ralco Lepoy, El Barco, and Ayin Mapu.

In 2015, Endesa Chile began to relate to the communities in a new different way, focusing on sustainable development with a cultural identity, being responsible and respectful for human rights. During 2015, the foundation strengthened the programs that were aligned with these objectives and created a consistent organizational structure.

Within the framework of this new relationship between company and community, the Pehuen Foundation subscribed to a neutrality agreement and declaration that determines the institution to be a facilitator of dialogue, assistance and advice.

The Ralco Plan, the round tables, the visits to the business venture projects and the direct contact with the company professionals coordinating the joint activities were among the main activities of the year.

Also worth highlighting is the incorporation of the El Avellano, Aukin Wallmapu, communities to the board of the institution and the participation of the Foundation in the Annual Members Meeting of the network *Red de Fundaciones Empresariales de América RedEAmérica* and in the VII International Forum of RedEAmérica held in Merida, Mexico in March 2015. The Pehuén Foundation is a founding member of this initiative since 2002.



## Programs

The main guidelines of work with local communities are to foster productive activities, education and training, all focused on creating value in the communities in order to build the grounds for long-term sustainable development.

In terms of productive activities, emphasis was placed on contributing to the management of El Barco, Ayin Mapu, Callaqui, Lepoy and Aukin Walmapu communities to increase productive capital and efficiency in managing crops. Regarding education, focus was placed on housing and tuition scholarships allowing access to higher education, increasing social capital and capabilities within the territory.

In 2015, Pehuen Foundation implemented several programs based on these guidelines, benefitting 1,343 families and an investment that amounted to Ch\$302 million.



### Efficient Water Usage Agreement

In December 2015, Endesa Chile subscribed to an agreement with the farmers that use the water of the Laja River, which also involved the Ministries of Public Works, Energy and also Agriculture, aimed towards easing the collaboration between parties regarding the operation of the Laja reservoir. This allowed obtaining effective solutions to the concerns of the agricultural and tourism sectors that are also compatible with the reliability of the electricity supply system of the country.

Similarly, the Company adhered to a joint agreement with the Maule Surveillance Association and the Hydraulic Works State Department with the purpose of optimizing the use of the Maule basin water resources for irrigation and electricity generation. This arrangement adds flexibility to the operation of the Maule Lagoon reservoir conforming to the regulation agreement in place since 1947.

These pacts respond to the goals established by Endesa Chile's community relations plans in the territories where its hydroelectric power plants Antuco, Abanico and El Toro operate.





## Neltume

Location: **Rivers Region / Valdivia Province /Panguipulli District.**

Related communities: Puerto Fuy, Neltume and Chosuenco towns and the indigenous communities Juan Quintuman, Inalafquen, Valeriano Callicul, Manuel Curilef, Lorenzo Cariman, Colotue, Inocente Panguilef, Ex Curriñamco, Ex Enrique Quisulef, Ex Pedro Quillempán, Trigue Cui Cui, Inahuincul, Truyun Mapu, Juan Catripan, Peñiwen, and Rayen Huincul. A total 1,964 families (6,701 people) live in the area surrounding the power plants.

### Leading Projects

#### Competitive Funding

These are funds managed by the roundtables to finance the works related to community initiatives and local entrepreneurs that focus on the improvement of infrastructure and equipment of churches, community centers, educational facilities, crafts, social support, sports and new ventures.

The fund has Ch\$8 million available every semester for each round table. All local organizations and entrepreneurs must apply according to evaluation terms and then the roundtable leaders along with Endesa Chile representatives, follow up on the projects in order to evaluate future applications.

During 2015, 29 local social organizations and 52 entrepreneurs received a total Ch\$78,544,988.



## Energy for Education Program

This program is part of the Company's permanent global strategy to contribute resources to fund projects focused on improving the quality of education of the different schools located near the Neltume project.

Institutions in the Territory	Area	Students	Teachers
Tierra de Esperanza	Neltume	201	20
Francisco de Asís	Neltume	249	17
Lago Azul	Puerto Fuy	44	3
Rural de Lago Neltume	Lago Neltume	31	2
La Rinconada	Choshuenco	99	14
Rural de Punahue	Punahue	8	1
<b>Total</b>		<b>632</b>	<b>57</b>

All projects were approved by the Education Corporation of the Panguipulli Municipality.

The Company invested a total Ch\$103,874,467 to develop and finance several initiatives that benefitted 739 students in the following areas:

- > Education
- > Parent Association
- > Culture and sports
- > Infrastructure
- > Tuition and transportation scholarships



### Relevant Figures

Students benefitted: **632**

Teachers benefitted: **57**

Amount invested: **Ch\$103.8 million**

## Neltume Project Modifications

**[G4-DMA SO] [EU19]** According to the new sustainability and community relations strategy, Endesa Chile aims to develop generation initiatives in collaboration with the communities. Within this framework, and embracing the communities' concerns, the Company decided to study new design alternatives, particularly regarding the water discharge system into Lake Neltume.

Therefore, in December 2015, Endesa Chile withdrew the Environmental Impact Study (EIA in its Spanish acronym) that had already been submitted to the Environmental Evaluation Service (SEA in its Spanish acronym) of the *Region de Los Rios*. The decision only

affected the Neltume power plant Project and not the transmission line project, which continues its approval process in the SEA.

The evaluation of both projects included an indigenous consultation process, pioneer in the Country, not only due to the relevance of the initiative, but also because the rules applicable to these consultations changed during the process and were accepted by the Company. The process took more than two years of work and concluded with a positive outcome, proving that the willingness to dialogue and collaborate allows attaining shared visions.

# Huinay Foundation

**[G4-EN13]** The Huinay Foundation was founded in 1998 by Endesa Chile in partnership with the Catholic University of Valparaiso. It was created to promote scientific research and the preservation of the ecosystem of the Huinay area, located in the *Region de Los Lagos*, in the Hualaihué district.

Some of the Foundation's milestones in 2015 were:

## New projects awarded:

2016-2019: "Mass mortalities of cold-water corals in Chilean Patagonia: causes, consequences, recovery and resilience" (National Scientific and Technological Development, FONDECYT in its Spanish acronym).

2016-2019: "PISCES: Patagonian Ice field Shrinkage impacts on Coastal and Fjord Ecosystems" (National Scientific and Technological Investigation Commission, CONICYT in its Spanish acronym / Natural Environment Research Council, NERC).

2016: Waitt Grants Program (National Geographic Society): "Multiple whale mass mortalities in Chilean Patagonia." Includes Blue Foundation funding for expedition to the Gulf of Penas in January and May 2016.



## Scientific expeditions:

### Huinay Fjords 22:

Region: Chiloé and Guafo Island (exposed coast).

Date: January 10 - 19, 2015.

Participating Scientists: Vreni Häussermann, Kaitlin Mc-Connell, Ulrich Pörschmann and Günter Försterra.

### Huinay Fjords 23 (in partnership with Alfred Wegener Institute).

Region: Añihué and Reñihué.

Date: February 9-19.02. 2015.

Participating Scientists: Jürgen Laudien, Günter Försterra, Verena

Häussermann, Susann Diercks, Felix Rossbach y Max Neffgen.

### Huinay Fjords 24

Region: Puerto Edén to Golfo Tres Montes.

Date: April 14 - 3 May, 2015.

Participating Scientists: Vreni Häussermann, Kaitlin McConnell,

Ulrich Pörschmann, Insa Stolz and Henry Göhlich.

### Huinay Fjords 25

Region: Golfo de Penas.

Date: June 22 - 26, 2015.

Participating Scientists: Vreni Häussermann, Carolina Gutstein and

Fanny Horwitz.

### Huinay Fjords 26

Region: Estrecho de Magallanes.

Date: September 15 - 29, 2015.

Participating Scientists: Vreni Häussermann, Kaitlin McConnell,

Ulrich Pörschmann, Francine Beaujot, Roland Melzer and Roland Meyer.

## Relevant figures:

Visiting Scientist: 13

Publications y Presentations in Congress: 16

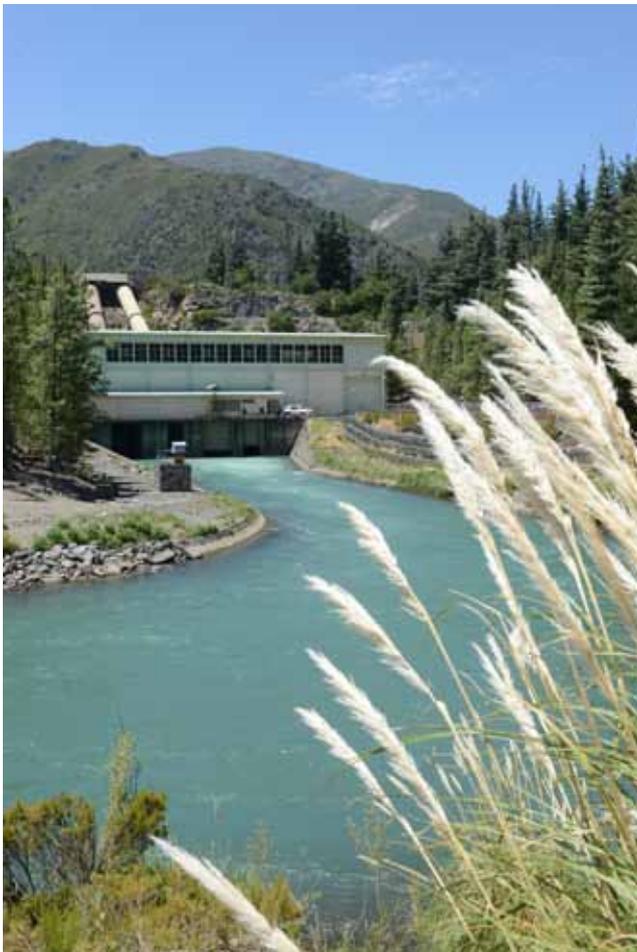
Volunteer Collaborators: 12

# Operational Excellence

**[G4-DMA EC] [DMA EN]** Operational excellence for Endesa Chile is a fundamental pillar of competitiveness today and into the future. This guideline aims towards carry out the Company's activities the best way possible, surpassing the requirements of norms and regulations and involves not only processes and technology but also the work team behind the scene.

Within this context, the Company has continuous improvement programs for productive processes and adheres to world class standards in areas, such as, efficient energy management, operational optimization and environmental protection, among others, representing a differentiation element within the energy industry.

During 2015, Endesa Chile performed several improvements to its generation units and maintained management systems certification. Similarly, moving towards an Integrated Corporate Management System in order to obtain multi-site certification is also worth highlighting and is described in this chapter.



## Energy Efficiency

### Energy Efficiency Projects

#### Coil Replacement of Isla Hydroelectric Power Plant

In July, 2015, the stator coils of the Isla hydroelectric power plant Unit No 1 were replaced with advanced technology and improved isolation coils. This avoids limiting the units load and increasing reliability.

#### Optimum Load Distribution

The objective of optimum load distribution of power plants is to make the best use of resources to accomplish the generation program, complying with physical and operational restrictions. The minimization of the turbine flow of reservoir power plants and maximization of the capacity delivered by run-of-the-river power plants using their inflow, requires the best combination of units' performance. In 2015, the optimum load distribution in Rapel, Pehuenche, Pangué and Ralco power plants resulted in a 102,000 MWh increase in generation, approximately.

#### Hydroelectric Units Daily Programming Optimization

This project is a tool that allows optimizing the daily dispatch of generation units in order to maximize revenue based on the available resource, the efficiency of the unit and the energy price.

During 2015, the use of this tool at the Los Molles and Sauzal-Sausalito power plants allowed supplying 1,682 MWh and 1,304 MWh of electricity to the central interconnected system, respectively.



## Power Plant Operational Improvements

Connection of new filters to the siphon of thermoelectric power plant Bocamina that reduce the entrance of aquatic organisms to the power plant's cooling system

Endesa Chile reached an important milestone of the Bocamina II power plant, by beginning the connection of new filters to the water intake siphon of the generation unit.

The advanced technology filters, called "Johnson" will almost completely eliminate the entrance of aquatic organism into the power plant's cooling system allowing to significantly improve the plant's environmental standards, thus accomplishing one of the Company's commitments established in the Environmental Qualification Resolution issued by the environmental authority in April 2015.

The Johnson filters were installed in Bocamina I in December, and in Bocamina II in October.

## Energy Management Systems' Certifications

### ISO 50001 Certifications of San Isidro I and San Isidro II Power Plants

**[G4-14]** Since 2014, Endesa Chile implements and certifies an Energy Management System (SGE in its Spanish acronym), based on the international standard Energy Management Systems ISO 50001:2011, at the San Isidro Natural Gas facility. During 2015 an SGE follow up audit was performed.

This system is a tool that allows the Company to maximize electricity output and operational efficiency of each unit and at the same time reduce efficient energy consumption costs without compromising service quality.

The Quintero thermoelectric power plant received this certification in 2012.

### Energy Efficiency Seal: San Isidro I and San Isidro II Power Plants

In late 2014, San Isidro I and San Isidro II power plants were awarded with the Energy Efficiency Seal granted by the Ministry of Energy to companies in the Chilean industry that stand out for systematically applying energy efficiency to their productive processes.

The SEE obtained by the Endesa Chile's natural gas facility remained in force during 2015.



# Operational Efficiency

## Towards an Integrated Corporate Management System

**[G4-DMA EC] [G4-14]** In 2015, there was a corporate level change regarding the development and consolidation of an Integrated Corporate Management System (SGCI in its Spanish acronym), based on ISO 9001, 14001 and OSHAS 18001 in order to obtain multi-site certification, in other words, the certification of Endesa Chile and all of its power plants.

The Integrated Corporate Management System is a centralized support system that includes a series of corporate procedures and standardized processes and methodologies enabling it to be applied transversally. The units may share experiences and knowledge using a common language, making performance ratio control and follow up easier, optimizing resources, and efficiently using the tool towards performance.

Endesa Chile formed a team to collect information and concluded that 13 existing certified systems must be integrated. They started from there to work on unifying administrative procedures, such as the manual, the policy and other crucial procedures.



During the year the following was achieved:

- > The definition of a sole multi-site certification model, going from 13 management control systems to one integrated system.
- > The preparation of a the Integrated Management System Manual for generation operations that includes only one risks matrix, one environmental aspects matrix and one legal requirements matrix, containing specifications per unit.
- > The design of procedures with only one model to identify environmental aspects and occupational risks.
- > The consolidation of transversal procedures to manage the systems
- > The incorporation of external resources in order to comply with the multi-site certification deadline.

The use of the model's procedures began in December 2015 at San Isidro and Bocamina power plants, and the multi-site certification is expected to take place during the second semester of 2016, which is the deadline determined by the corporate office.

# Clients

## Electricity Generation Clients

**[G4-DMA PR]** Endesa Chile is strongly committed to the quality of the service it provides, which represents the foundation of its relationship with its customers.

This commitment manifests through actions focused on electricity supply quality and safety, increasing customer satisfaction and search for new ways to deliver more energy to increase the supply of the system.

In this regard, beginning to commercialize natural gas and therefore contribute to the country's clean energy platform, represented a milestone for Endesa Chile and its clients in 2015.

**[G4-PR3]** Decree Law No 4, enacted in 2007, defines the characteristics of electricity supply as a service delivered by Endesa Chile. The Dispatch Center (CDEC in its Spanish acronym) is the body, created by law, in charge of the coordinating the technically and economically efficient operation of the generation system.

During 2015, the Company billed customers a total 20,701 GWh. This figure includes the sales of subsidiaries Pehuenche, Compañía Eléctrica Tarapacá and Gas Atacama.



## Classification by Consumption Level

**[G4-8]** All Endesa Chile customers belong to either the Central Interconnected System (SIC, in its Spanish acronym) or to the Norte Grande Interconnected System (SING, in its Spanish acronym) and their operation complies with legal requirements established in DFL No 4, 2007.

The current regulatory framework of the industry identifies three types of clients:

- > Regulated: Clients with consumptions equal or lower than 500 kW
- > Non-Regulated: Clients with consumptions greater than 2,000 kW.
- > With the right to choose: Clients with consumptions greater than 500 kW and lower or equal to 2,000 kW.

Endesa Chile participates in the short-term wholesale market known as the "spot" market.

## Classification of Clients by Industrial Sector

**[EU3]** Endesa Chile's main customers are mainly electricity distribution companies that deliver electricity to homes, companies and public entities.

The Company additionally sells electricity to large companies in the mining sector, forest and wood industry, chemical industry and refineries; and, in general, all consumers that can legally be directly supplied by a generation company.

Type/System	SIC	SING
Distribution Companies	26	0
Forest and Wood	1	0
Industries	9	0
Mining	5	4
Others	1	2
<b>Total</b>	<b>42</b>	<b>6</b>

## Customer Relations

Endesa Chile offers its clients a high quality service that begins by building a close relationship with them, tending to their needs and disclosing timely and transparent information.

In order to do so, in 2015, the Company continued implementing its Customer Service Action Plan that involves several communication channels and participation instances, such as:

- > Monthly Bulletin that covers market condition information, including regulatory and economic matters, water level of reservoirs and hydrology related topics, among others.
- > Customer service executive, through telephone or email, building customer trust, closeness and loyalty.
- > Visits to generation power plants in order to strengthen the commercial relationship with clients showing them the investments carried out on operations, safety and risk management on-site. During 2015 the Rapel hydroelectric power plant was visited.

## Electricity Demand Management Program

**[G4-DMA EC]** The Company fosters managing demand among its clients, promoting the movement of their consumption to more economic and lower demand schedules. Through setting prices that differentiate peak and non-peak hours, the company avoids over loading the system and obtain savings.

With the assistance of customer service executives, clients can have access to their load profiles, review their demand and monitor their behavior during peak hours. Peak hours in the SIC are defined between April and September, from Monday thru Friday, between 6:00 p.m. and 11:00 p.m.

Endesa Chile implements an annual voluntary consumption reduction plan during periods in which the price of energy increases. Clients may participate in this plan, without modifying their contract with the Company, in order to obtain benefits by reducing their consumption in a certain percent in any way they consider convenient.

During 2015, only one client chose to participate in the plan reducing its consumption during June and July.



## Customer Satisfaction Evaluation

**[G4-PR5]** In 2015, Endesa Chile and subsidiaries carried out the eleventh Customer Satisfaction Survey to know how their customers evaluated the service received during the year.

A total 13 customers were surveyed with regard to five dimensions that impact service quality:

- > Communication channels.
- > Electricity supply quality.
- > Customer-supplier relations.
- > Billing and payment process.
- > Access to information and visits to facilities.

Among the results obtained, worth highlighting is that 100% of the surveyed customers are within the satisfied or partially satisfied categories.

The Customer Satisfaction Index (ISC in its Spanish acronym) reached an 81% approval rate. The dimensions that received the best rating were: communication channels 85%, access to information and visits to facilities 84%, billing and payment process 81%. Electricity supply quality received the worst evaluation, 67%.

The information obtained through the survey allows Endesa Chile to optimize its customer service plan and work on the dimensions that require improvement.

# Endesa Chile's Natural Gas clients

**[G4-DMA PR]** Endesa Chile has consolidated its entrance into the natural gas commercialization business, as established by the Company's corporate sustainability vision. This business allows the Company to make a contribution offering the Country a clean and competitive source of energy and also advance towards diversifying the energy matrix within an uncertain hydrology scenario.

By adding technological innovation, Endesa Chile became the first Company in the country to build satellite regasification plants, providing natural gas at competitive prices to four cities that previously had no access to this type of energy: Talca, Coquimbo, La Serena and Los Andes. Consequently, the Company not only offers a new service but also allows to make progress towards the use of a fuel that is cleaner than the traditional contaminating diesel, fuel oil 6 or LPG.

During 2015, the Company began the construction of a satellite regasification plant in Temuco that is expected to begin operations in 2016.

## Business Description

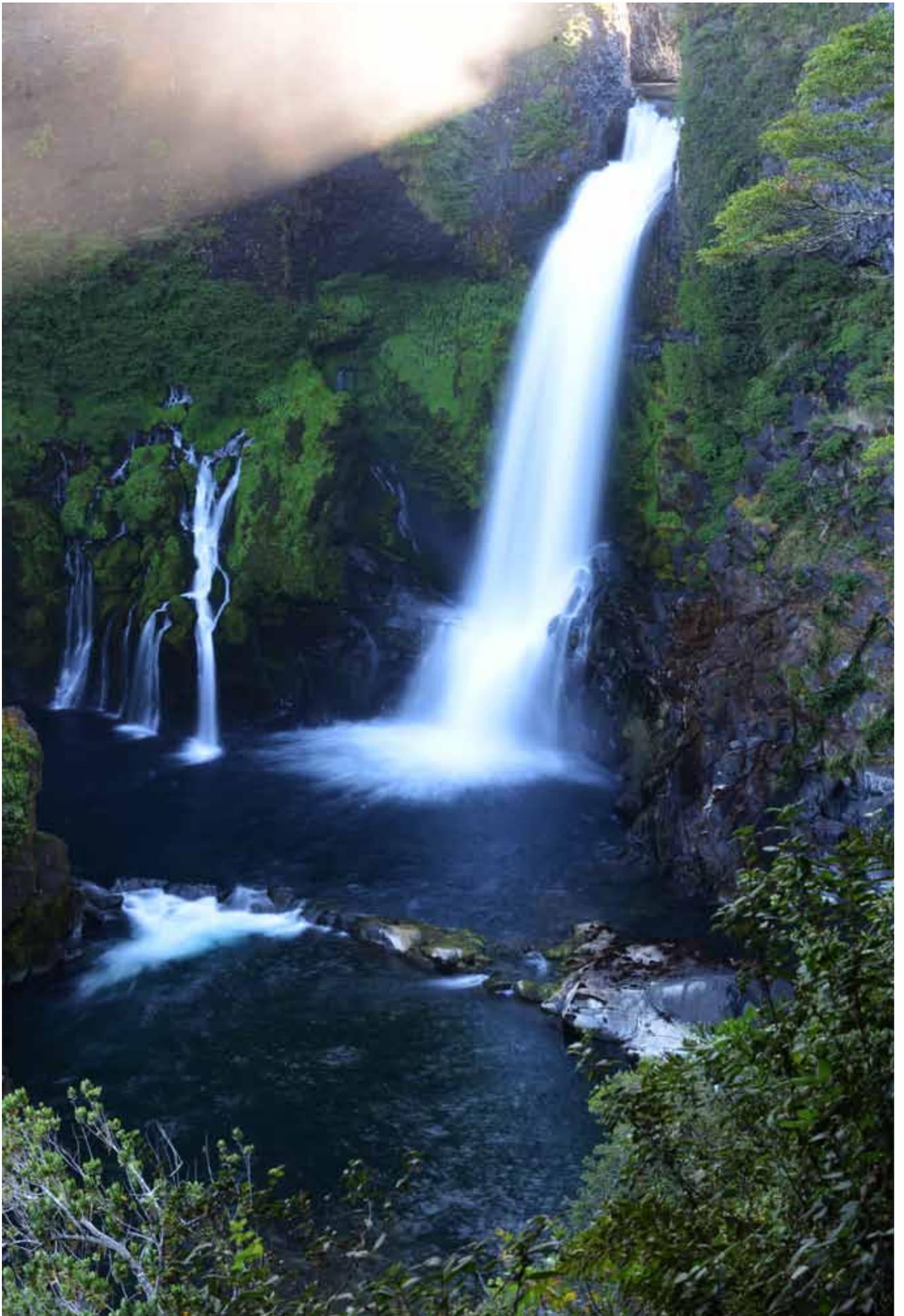
Endesa Chile commercializes / supplies natural gas that comes from the Mejillones LNG terminal or the Quintero LNG terminal, through a gas pipeline, to its customers in the northern part of the country.

The Company also commercializes / supplies natural gas from the Quintero LNG terminal by transporting it in trucks to its customers in the south and south central part of Chile. The LNG is loaded onto trucks at -162oC at the Quintero LNG terminal and then unloads at a satellite regasification plant (PSR in its Spanish acronym) located near their customers' facilities. There, the LNG is stored and regasified, converting into natural gas according to customer needs.

## Classification of Clients by Industrial Sector

**[G4-8] [EU3]** The Company currently has 11 customers distributed throughout the northern and southcentral parts of the country, primarily gas distributors, industrials and mining companies.

Type/System	North	Center	Southcentral
Distributors	1	1	2
Industrials	0	3	1
Mining	3	0	0
Others	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>



# Project Development

Endesa Chile started up three satellite regasification plants (PSR in its Spanish acronym) during 2015 and began the construction of a fourth one intended to offer an alternative efficient fuel, clean and at more competitive prices.

These projects have been approached so as to maintain a positive relationship with communities and respective authorities, who have highlighted the value of having

access to the supply of a clean energy source that allows decontaminating the most polluted cities.

The plants are located in Talca, Coquimbo / La Serena, and Los Andes. They all have a 120 m3 of natural gas storage capacity.

The detail of each plant is presented below:

## Talca Satellite Regasification Plant

This plant is a joint effort with GasValpo and Productos Fernandez that allows the Maule Region to have natural gas for sale to industrial consumers and also commercial and residential consumers.



## Coquimbo / La Serena Satellite Regasification Plant

This plant is a joint effort with GasValpo that allows the Coquimbo Region to have natural gas for sale to industrial consumers and also commercial and residential consumers.



## Talca Satellite Regasification Plant

This plant is a joint effort with GasValpo and Productos Fernandez that allows the Maule Region to have natural gas for sale to industrial consumers and also commercial and residential consumers.



# Development, Merit and Talent

**[G4-DMA LA]** The team of people at Endesa Chile is the foundation of the Company's present and future competitiveness. The capabilities and professionalism of employees is what drives the strategic guidelines of the Company in its permanent search for excellence in all operations and processes.

The Company has responded to the need to create a positive work environment that fosters work activities, with tools and programs that aim towards offering professional development opportunities while balancing work with personal and family life.

With these goals in mind, and considering the organizational changes that took place in 2015, human resources management focused on three crucial areas: organizational redesign, organizational climate and diversity.

## Our Employees

**[G4-10] [G4-LA12]** As of December 2015, Endesa Chile had 1,001 employees, 86% men and 14% women. Regarding age, 40% are within 35 and 44 years of age and only 1.5% are less than 28 years of age. The total number of hours worked during the year reached 2,475,979.

The average number of years working for the Company is 12. The percent of employees that have worked between 10 and 19 years for the Company is 26% and 10% have worked for the Company between 20 and 29 years.



### **[G4-10] Number of employees by gender**

Own employees by gender	2013	2014	2015
Men	975	1,063	860
Women	166	183	141
<b>Total</b>	<b>1,141</b>	<b>1,246</b>	<b>1,001</b>

### **[G4-LA12] Number of employees by gender and job category**

Category	Year	Men	Women	Total
Senior Executives	2013	34	1	35
	2014	28	1	29
	2015	19	1	20
Mid-level positions	2013	120	8	128
	2014	144	6	150
	2015	86	8	94
Administrative positions	2013	821	157	978
	2014	894	173	1,067
	2015	755	137	887
<b>Total 2015</b>		<b>860</b>	<b>141</b>	<b>1,001</b>

**[G4-LA1]** Regarding recruitment of new employees, in 2015, Endesa Chile hired 34 employees. On the other hand 323 employees were dismissed, 12% were women. The average years of service of those that were dismissed were 16. This increased the total turnover rate which went from 4.6% in 2014 to 15.79% in 2015.

The dismissal of personnel is a consequence of organizational changes to more effectively respond to the current challenges within energy industry. This process was managed by the Company together with unions and employees involved, reaching arrangements considered satisfactory by all parties and allowing to go through the process normally and without conflict.

# Workplace Life Quality

Endesa Chile is constantly making efforts to maintain an optimum workplace for all individuals. Satisfying this responsibility begins with a transversal diagnosis that allows designing a program to identify specific and general needs.



## Leaving a Trace Program

This is a transversal program that involves all organizational climate agents of Endesa Chile and that aims at strengthening the role of so called “leaders” within the Company through several training instances, accompaniment, coaching and mentoring.

A leadership training activity was included for all participants in 2015, along with a 360o evaluation with the participation of teams, co-workers and managers. This activity allowed designing personalized plans, in coordination with the human resources department, incorporating ten-month-long work related commitments.

Number of workshops	5
Number of participants	53



## One on One interviews

**[G4-DMA LA]** The objective of this program is to get a deeper understanding of the individuals that work for Endesa Chile and disclose the policies and benefits of the Company. Personal interviews allow gathering information regarding the individual's current work and life stage and aspirations in terms of career development, training and areas for improvement.

These personal interviews allow profiling the workplace and the work dynamics within the Company, offering a thorough diagnosis of employees' expectations based on which programs and activities are designed to strengthen identified aspects.



## Benefits

**[G4-LA2]** Endesa Chile has been developing a broad range of benefits for its employees and their families focusing on strengthening the workplace life quality and personal life quality, balancing work, health and personal life.

Benefits offered are built around the following guidelines:

- > Maternity.
- > Family.
- > Grade school support.
- > Company and employee celebrations.
- > Sports and culture.
- > Health.



Worth highlighting, Endesa Chile intensified the gradual reincorporation of women after maternal leave, offering gradually increasing work day hours that allow an adequate reintegration process and favor family development.

## Telecommuting

Since 2012, Endesa Chile offers its employees the possibility to work at home one day a week. Employees must apply for this benefit and the functions of the specific employee are analyzed to qualify.

Telecommuting opens an opportunity where trust is critical and in which the Company favors results as opposed to physical presence in the office. During 2015, 18 employees received this benefit.



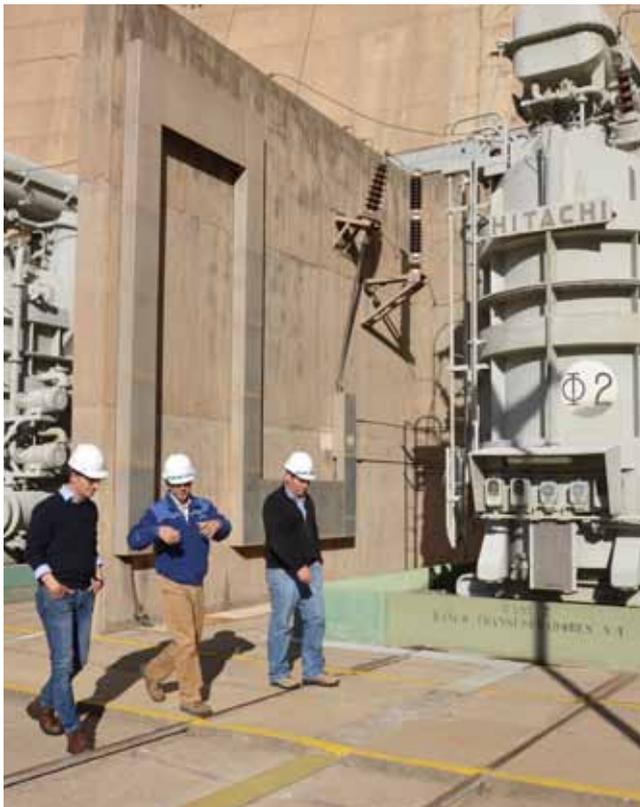


## Acknowledgement Program

This is an instance in which Endesa Chile publicly acknowledges the performance of employees and external workers/contractors in addition to disclosing personal, professional and corporate values. Acknowledgements consider four categories that are relevant to the operations of the Company:

- a. Acknowledges employees that promote the development of best practices in occupational health and safety.
- b. Acknowledges employees that establish significant relationships with customers.
- c. Honors individuals with broad knowledge of diverse subjects and that are prone to share it with others.
- d. Acknowledges those that prove to be optimistic, creative, and teamwork oriented employees.

A total 69 Endesa Chile employees were acknowledged at the award ceremony.



## Power Plant Visits

In 2015, the Company implemented the program "A Coffee with Human Resources". The objective is to visit the business units throughout the country and carry out group interviews to address specific subjects, such as performance review processes, salary revisions, scholarships and others. This instance represents an opportunity to identify the needs of each power plant and implement actions appropriate for each particular situation.



# Professional Development

**[G4-LA10]** **[G4-DMA LA]** Managing the professional development of employees is critical to the achievement of Endesa Chile's strategic objectives. For this reason, the Company offers programs that strengthens individual's abilities, creating scenarios that promote professional training and the development of a career plan.

In 2015, an initiative was established to encourage individuals to be interested in their professional development, making them participate in the design of specific work plans tailored to their interests and needs using different methodologies.

## Average Training Hours

**[G4-LA9]** During 2015, the Company performed 35,810 hours of training, 96% were face-to-face. On average, every employee participated in 38.7 hours of instruction. The average for men was 41 hours and for women the average was 24.9 hours.



Employee training may be broken down as follows:

Program	Hours
General technical training	7,964
PPR	636
English on line	1,230
Business English	335
Face-to-face group English	1,270
Other languages	449
Performance analysis diploma	710
Electricity market diploma	1,560
Scholarship program	17,025
Knowledge management	383
Corporate Health and safety program	2,451
Corporate Environment program	120
General human resources management	259
Union	70
Operations/ management procedures	128

During this period, company employees had 4,193 hours of sustainability training, broken down as follows:

## Average training hours per employee in 2015 **[G4-LA9]**

Estamento	Average training hours	
	Male	Female
Senior Executives	25	20
Mid-level positions	37	28
Administrative positions	51	16



## Professional Development Itinerary

The objective of this program is to identify individual development plans that consider the needs of each person in terms of education and training in order to reduce specific gaps.

Plans are designed based on personalized interviews of employees by his or her immediate superior. This instance allows identifying aspects that may be managed through training, internal mobility, among others.

Human resources contributes with support on specifications that then become available, confidentially, to each person on the Company's intranet, therefore fostering the individual's active participation in the development of the process.



## Electricity Market Diploma

During 2015, the fifth version of this program was offered with the support of the Economics School of the *Universidad de Chile*. This course aims at deepening the understanding of the characteristics and challenges of the electricity business, presenting tools to contribute to the negotiation process, electricity supply contracting process and the complementary services supply process.

A total of 13 Endesa Chile employees attended this program adding up to a 170 individuals since it began in 2011.

## Internal Mobility

Employee development goes hand in hand with offering promotion opportunities within the Company. Endesa Chile fills job vacancies by first going through an internal promotion process of employees, assigning value to already knowing the Company and that want to develop their professional career.

The Company continued in 2015 to promote internal application contests, offering existing employees the possibility of a promotion, moving from one area to another or to other subsidiaries of the Group in Latin America.

During 2015, there were a total 150 job vacancies in Endesa Chile, and 97% were covered through internal mobility by local and international scope internal contests, horizontal mobility and promotion.



# Labor Relations and Respect for Employee Rights

Maintaining a fluent and transparent relationship with unions, which add value and represent critical support to the implementation of projects, is a permanent focus of the Company's labor management, considering that the level of unionization in Endesa Chile is 74%.

During 2015, two collective bargaining processes took place. The first one in June with the Regional Union, which was performed within the legal framework and established dates; and the second one in November with Union No7 that reached an agreement ahead of time. Both union agreements are effective for four years.

Holding periodical meetings with unions continued, allowing to consolidate a constructive interaction instance based on dialogue, open to employee representatives aiming towards improving work conditions and organizational climate.

## **[G4-11] Employees covered by collective bargaining agreements**

Unionized employees No	No of employees covered	% of employees covered	Total employees
2013	845	71%	1,141
2014	892	64%	1,246
2015	728	73%	1,001



# Diversity and Equal Opportunities

**[G4-DMA LA]** Having a diverse workforce, within an environment that appreciates and respects diversity, enhances the workplace, stimulates creativity, innovation and the capabilities of the team.

In 2015, the Enel Group, presented its Global Diversity Policy, which states that a company's organizational culture is based on the inclusion of all individuals, and seeks to create a work environment grounded on respect and appreciating differences. This document identifies the scope of action to be peoples' gender, age, nationality, and disability.

## "Tutorship" Program

This initiative is the first approach of employees towards the four scopes of action identified in the Global Diversity Policy. It consists in forming tutors from within the Company, who become support to:

- > Disabled individuals: by offering support and knowledge regarding the workplace and other considerations that are relevant to new employees.
- > Foreigners: assistance to new employees coming from other countries regarding work and everyday concerns.
- > Maternity leave assistance: assisting employees to gain knowledge on Endesa Chile's benefits and supporting them through the process of gradually and progressively returning to work after maternity leave, among other practical matters.

The program began by asking people within the Company to volunteer to perform these activities in addition to their regular job.

During 2015, five people from Endesa Chile were trained as tutors, being continuously assisted by human resources, and will continue to develop into 2016.



# Occupational Health and Safety

## Own Employees

**[G4-DMA LA]** Physical, mental and social wellbeing of Endesa Chile's employees is vital to the Company, inasmuch as they impact the organization, but impact employee's families even more and therefore, the community.

Consequently, the Company is committed to its employees' health and safety, as shown through a series of programs regarding diffusion, education and prevention. They seek to ensure the wellbeing of Endesa Chile's workforce and develop a solid safety culture that begins with self-care.

During 2015, efforts were concentrated on the Corporate Health and Safety Commitment Statement and on avoiding serious accidents, which was achieved. There were no serious accidents during the year.

## Health and Safety Commitment Statement

In 2015, the corporate group disclosed a new vision regarding occupational health and safety through a Commitment Statement that is based on the conviction that each person is responsible of his or her own health and safety, as well as of those who he or she interacts with.

The Commitment Statement about health and safety declares that these aspects, as well as the psychophysical integrity of individuals, are the most valuable assets and that must be safeguarded not only at the workplace but everywhere and at every moment.

The document is built upon six affirmations in first person that reflect the Company's new vision and reinforces the personal commitment of employees and contractors to health and safety and a series of actions that represent the foundation on which the Company builds its safety culture.

### Health and Safety Commitment Statement

Enel considers individual's health, safety and psychophysical integrity to be the most valuable asset that must be protected at all times, both at workplace and outside the workplace.

Every one of us is responsible for our own health and safety and also for the people we interact with, and therefore commits to develop and promote a solid health culture everywhere in the world.

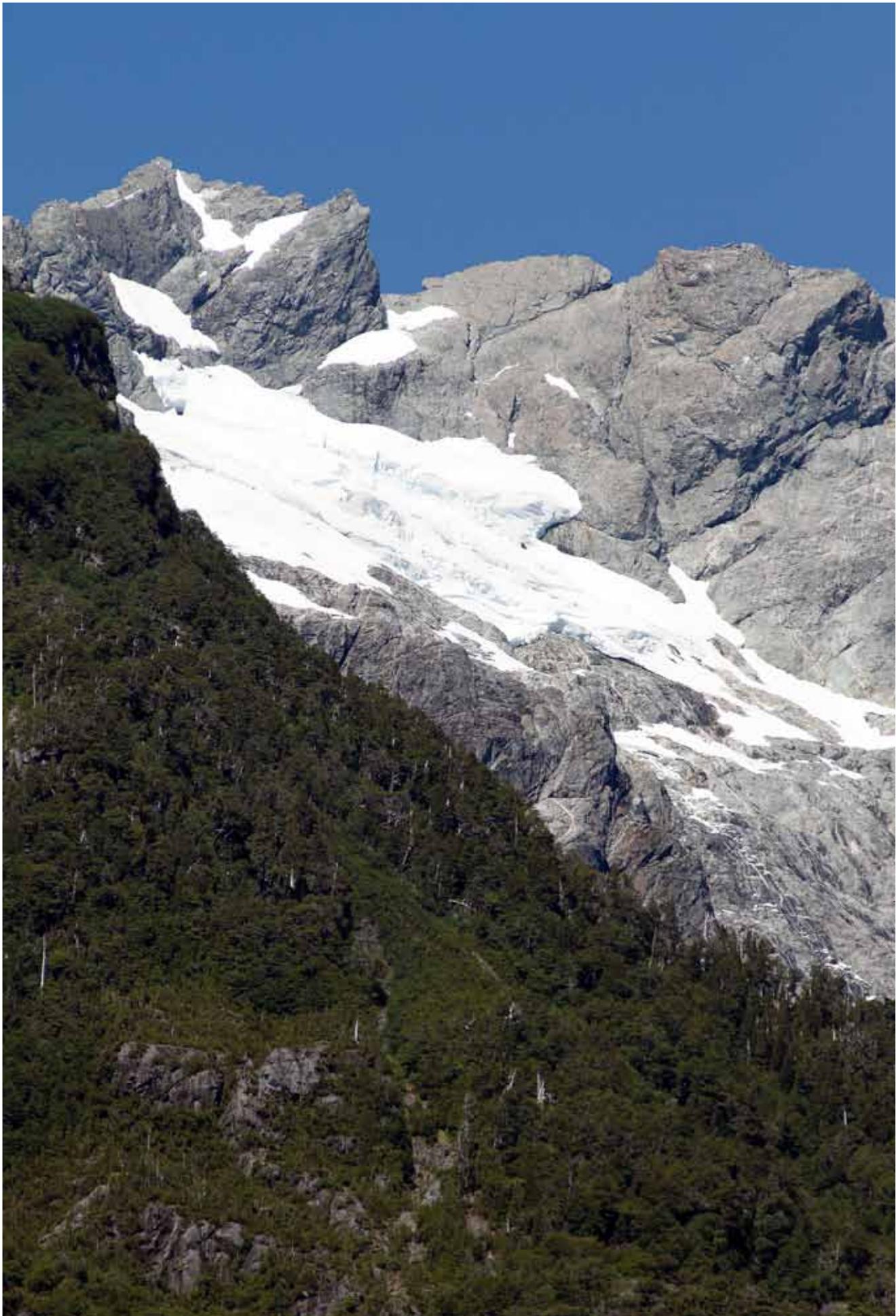
We are convinced that the success of our business and the value of our Company is based on the indispensable quality and safety binomial.

The improvement path at Enel is based on prioritizing the responsible behavior necessary to guarantee health and safety:

- > I know what I have to do
- > I think before I act
- > I take care of my health
- > I consider nothing a given
- > I respect rules
- > I stop if in doubt

We are convinced that: commitment must come from all of us; integrating safety into our processes, including training, communication and analysis of accidents and incidents; rigor in the selection and management of contractors; continuous quality control; sharing the experiences among Group companies; the comparison with international leading actors, are the foundations on which to build a safety culture that, in fact, must begin with us.

Let us all personally adopt these principles and disseminate them by example, in the workplace and in daily life.



# Occupational Health and Safety Management

**[G4-DMA LA]** The life of a person is an invaluable asset and as such, Endesa Chile works systematically, applying maximum standards, to protect the health and safety of its workers and contractors emphasizing the Zero Accidents policy.

In order to do so, the Company has a Safety Committee in place, has training programs, diffusion campaigns, in addition to field inspections and audits that are performed regularly.

## Work Related Illnesses

**[G4-LA5]** The Company has analyzed the risks related to illnesses that arise as a consequence of employees' work activities and has concluded that:

- > Occupational deafness.
- > Occupational neurosis.
- > Pneumoconiosis (employees under medical surveillance due to exposure to asbestos in the past).
- > Upper extremities musculoskeletal disorder.

### Joint Committee

**[G4-LA5]** The mission of the joint committee is to protect health and safety of all employees of a business unit at the workplace by reaching agreements among its members. Each committee is comprised by three employee representatives and three Company representatives plus three alternates of each party.

Endesa Chile has a joint committee for each of the following business units: Bocamina power plant, Southern power plants, Maule power plants, Sauzal power plant, San Isidro power plant, Gas Atacama power plant and Tarapaca power plant. The main office building located on 76 Santa Rosa Ave. also has a joint committee.

As of December, 2015, all employees of the Company were represented by an occupational health and safety joint committee.



## Health and Safety Awareness

**[G4-LA8]** Endesa Chile promotes a safety culture within the organization by making company leaders and workers aware of the importance of these topics. During 2015, several activities were carried out with this purpose, of which the following are worth highlighting:

**Safety walks:** performed by managers and inspectors of several facilities. The walks aim at promoting the importance of safety and reviewing the compliance with Endesa Chile safety standards in person.

**Safety Week 2015:** held in June, included more than 12 theme activities in every Company power plant aiming to raise awareness of personal safety, in line with corporate commitment statement regarding health and safety. More than one thousand own and contractor workers participated in this event.

**Personalized Safety Plan:** Personalized Safety Plan (corporate initiative SPP in its Spanish acronym): held in November and involved the managers of each department within the business unit, in order to identify specific action plans to improve safety of employees and contractors.

## Occupational Health and Safety Training

**[G4-DMA LA] [EU18]** In addition to the awareness measures, Endesa Chile has developed several training activities related to health and safety focused on reinforcing competences. During 2015, 220 own employees and 1,255 contractors participated in the training programs offered.

**Health and safety course:** Program that trained 129 people on subjects, such as: confined space risks: working from heights and accident research.

**[G4-LA7]** Endesa Chile also formed a Psychosocial Risk Committee including the Human Resources Officer, the occupational health and safety department and employee representatives. The committee worked on implementing a psychosocial risk protocol in all business units.

The Company also organized a lecture on the safety measures to prevent damage caused from asbestos exposure.

## Safety Standards Implementation

During 2015, Endesa Chile consolidated the inclusion of health and safety standards in the terms of all tenders of works and services. The Company was able to transfer its best practices to contractor companies they relate with, ensuring compliance with health and safety standards and achieving their continuous improvement.



## Occupational Safety Performance

Own employee Accident data	Absentee Rate			Accident Rate			No Deaths			No days lost			No accidents		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
O&M	0.010	0.011	0.003	1.65	1.71	0.82	0	0	0	19	19	4	3	3	1
E&C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0.010	0.011	0.002	1.65	1.71	0.49	0	0	0	19	19	4	3	3	1

The figures for 2013 and 2014 include data of Project related activities (E&C).

**[G4-LA7] [G4-LA6]** There were no fatal or serious accidents during 2015, but there was one non-serious O& M accident. The Endesa Chile's accident frequency index was 0.49 and the total number of work hours was 2,058,927.

During the year, four days were lost due to accidents, equivalent to a 0.002 rate.

# Occupational Health Management

**[G4-LA8]** Endesa Chile, is constantly concerned about its employee's health and therefore has a series of programs permanently in place, most of them within the scope of prevention and self-care education. The following are the leading initiatives for 2015:

**Health endorsement and diffusion:** educational program about life quality and bio-psychosocial wellbeing. The massive diffusion methods include graphic material and lectures performed by specialist.

**Psychosocial risk evaluation program:** A Psychosocial Risk Committee was formed during 2015 that worked on implementing a psychosocial risk protocol at all of Endesa Chile facilities.

Within the context of this program, the Company carried out a psychosocial risk survey, which obtained an 84% response rate, above the 75% required by authorities. This survey showed the areas in which the Company has room for improvement and allowed identifying the elements to develop an action plan to achieve such improvements.

The Company also began the implementation of legal rules regarding professional illness prevention protocols, such as PREXOR, to control exposure to noise; PLANESI Plan to control exposure to silica,; TMERT EE-SS regarding the control of musculoskeletal injuries and UV radiation exposure.

**Immunization program:** initiative that offers all Endesa Chile's employees two vaccinations; one for the flu and the other for hepatitis A and B. During 2015, 505 employees were vaccinated.

**Healthy woman program:** This programs aims towards reducing death caused by cervical cancer and breast cancer among Endesa Chile's women employees above 40 years of age through diffusion, education and regular medical check-ups. In 2015, the program involved 198 women.

**Preventive medical exams program:** Early detection of alterations or pathologies with potential health consequences is the purpose of this program. During 2015, 500 employees

participated and a total 8,970 exam and medical check-ups were performed.

**Asbestos control campaigns:** In line with the Company's Asbestos Policy, these campaigns involved prevention programs to control and educate on the risks related to asbestos.

## Asbestos Policy

Asbestos is a mineral that was widely used as a construction material for isolation purposes. It has been proved to entail health risks for people who have been exposed to it.

In 2008, Endesa Chile began to study how to remove asbestos from its facilities and in September 2014 issued its Asbestos Control and Sanitation Policy, pioneer in the industry, and which defines high requirement thresholds.

In 2015, the process of removing asbestos from the thermoelectric power plant Bocamina concluded, being declared free of asbestos. Also, the Company began the bidding process to remove asbestos from the Huasco and Tarapaca units. The works are expected to being in early 2016.



# Contractor Occupational Health and Safety

## Occupational Health and Safety Management



**[DMA LA] [G4-LA6]** During 2015, there were 21 accidents involving Endesa Chile contractor company employees. They were all not serious accidents and the number of days lost declined when compared to the previous year (2015:399 vs. 2014:776). The employees of contractor companies worked a total 7,957,894 hours, and the accident frequency index was 2.64 (number of accidents per million work hours).

**[G4-LA8]** Endesa Chile's Occupational health and safety management extends to include contractor company workers that are involved in Company operations or projects and requires that they comply with its safety standards and policies. This commitment is complemented by the following initiatives:

- > **Review of contractor's health and safety conditions:** in order to include the Company's specific safety standards requirements.
- > **Contractor company classification in OHS:** in order to evaluate the health and safety aspects required by the Company, such as, work procedures, policies, organizational area and certifications.
- > **Diffusion/Dissemination/Communication:** Prevention campaigns of most relevant illnesses related to the job activities.
- > **Acknowledgement:** mechanism to promote safe behavior among workers.



# Zero Accidents Plan

**[G4-DMA LA]** Endesa Chile continued implementing its corporate occupational health and safety plan during 2015, which focuses on the following challenges:

- > Reduction of serious accidents and elimination of fatal injuries.
- > Improve critical activities accident indexes, such as, work at heights, work in confined areas, hoisting maneuvers, intervention of electrical installations, and vehicle transportation to the workplace.
- > Safety standardization among contractor companies in order to reach the same level of prevention culture and occupational health results.
- > Consolidate Endesa Chile's position as a leader regarding prevention within the electricity industry.

This plan is complemented by the supplier rating system and the safety audits that constitute the selection process of contractors or suppliers. The rating system states that if the outcome of the safety audit is below 75%, the supplier may not be awarded a service or work but may participate in a second audit process in order to qualify for a new bid.



## Contractor Occupational Safety Performance **[G4-LA6]**

Contractor employee Accident data	Absentee Rate			Accident Rate			No Deaths			No days lost			No accidents		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
O&M	0.198	0.167	0.021	1.61	2.08	2.51	0	0	0	492	643	76	4	8	9
E&C	0.03	0.103	0.074	2.69	3.09	2.75	0	0	0	22	133	323	2	4	12
Total	0.160	0.151	0.050	1.86	2.33	2.64	0	0	0	514	776	399	6	12	21

# Operational Eco-efficiency



**[G4-DMA EN]** In 2015, the Group's corporate office required that the "impeccable environment" concept be implemented at Endesa Chile, in every one of its electricity generation power plants.

The Company required a new organizational structure with occupational health and safety, environment and quality together in one department named HSE&O.

This initiative gave the environmental commitments approach a new driver and a new vision. At the power plant level, local actions were emphasized, to be implemented by those responsible for the facility and the environmental professionals that promote, develop and control environmental management on-site.



The Company also decided to perform a thorough collection of information regarding the environmental and legal status of all facilities in order to assure having complete knowledge of what aspects require some sort of normalization in order to continue to advance towards excellence in this matter.



# Environmental Management

The following details illustrate the new environmental management approach:

## Ojos de Agua Hydroelectric Power Plant:

Ojos de Agua Compensatory reforestation project: 3.4 ha of new reforestation with species that had been planted before but rooting had not been successful.



## Loma Alta Hydroelectric Power Plant:

Fencing archaeological site at Loma Alta hydroelectric power plant: the first fence was destroyed by third parties. Therefore the Company put up a new fence surrounding the “Loma Alta” archaeological site to protect it from potential damage.



## Ralco Hydroelectric Power Plant:

Environmental restoration: environmental and landscape restoration of land.

### Reforestation Agreement with the School of Forestry of the UDEC

In 2015, Endesa Chile and the *Universidad de Concepcion* (UDEC in its Spanish acronym) reached an agreement regarding the reforestation of 700 hectares with native species, responding to the responsibilities the company committed to during the development of the Ralco hydroelectric power plant, located in the Alto Biobio district. This agreement allows Endesa Chile to comply with the commitment to reforest 1,700 hectares in the area.

The implementation of the project will be carried out by the staff of the School of Forestry of the UDEC and includes 2.3 million plants, including oak, rauli, coihue lleuque, guindo santo, and mountain cypress. The project will be materialized with contributions by Endesa Chile over the four year period from 2016 until 2020.

This agreement is the consequence of the Company’s new vision of sustainability, as it exceeds what is required by regulation, because the project in itself adds value by including scientific research and conservation, all performed by international level professionals, creating local capabilities and becoming a long term work plan.

## Environmental Priorities

Compliance with the applicable environmental regulation is one of the fundamental priorities for the development of projects and operations of Endesa Chile. The Company is committed to exceeding authority requirements in order to reach excellence in environmental issues. In order to achieve this objective, the Company performs the following activities:

- > Environmental guidelines inclusion into the Company's integrated management system.
- > Permanent update and control of environmental regulation compliance of the electricity generation operations.
- > Implementation of environmental procedures that guarantee the optimum use of resources as well as the control and minimization of the environmental impact of company operations.

Additionally, as part of the process to collect all environment related information about the Company performed in 2015, all authorizations that allow the operations of power plants were reviewed in order to ensure that they were current, and if not, to carry out the necessary actions to update them.

## Potential Environmental Impacts

Endesa Chile applies a particular methodology to identify potential impacts in each stage of development of its generation projects. This permits anticipating potential environmental impacts and identify specific initiatives to manage the construction, operations, close down and abandonment stages of power plants.

The plants that are in the operations stage perform monitoring and measuring activities that, in most cases, allow knowing how the main environmental parameters are performing and therefore ensure legal compliance of applicable limits and the identification of non-expected impacts.

## Environmental Management System

The Company operates 28 generation power plants in Chile. They all have Environmental Management Systems (SGA in its Spanish acronym) that are certified under Norm 14001 except Bocamina thermoelectric power plant. Consequently, 94.5% of the Company's installed capacity is certified under the international standard.

In addition to this Environmental Management System, the Company has an Integrated Corporate Management System (SGCI in its Spanish acronym) which began development and implementation during 2015. The SGCI aims towards obtaining multisite certification based on norms ISO 9001, ISO 14001 and OSHAS 18001.

## Clean Production Agreement

In April 2015, Endesa Chile signed the Tarapacá Region Shoreline Clean Production Agreement (APL in its Spanish acronym).

This agreement is a voluntary agreement between a corporate association representing a productive sector and a public organization engaged in environmental matters, sanitary, and work hygiene and safety, energy and hydrological efficiency and productive development initiatives, aiming to apply clean production measures through specific targets and actions by predetermined deadlines.

The Company considers this initiative to represent an opportunity to develop a joint effort involving sustainability to increase the competitiveness of the industry and minimize the impact on the Tarapaca Region shoreline.



## Extra Checking on Site – EcoS

Ecos is a methodology of the Corporate Group that reinforces compliance with safety and environmental rules, policies and management within the electricity generation facilities and in the construction projects of power plants.

The main characteristics are:

- > Introduces a methodology to define and implement additional controls to improve norms and activities regarding safety and environment;
- > Communicates/Disseminates/Diffuses safety and environmental principles and norms wherever electricity is generated;
- > Identifies the synergies to achieve zero accidents in the electricity generation process.

A highly qualified professional team of the Global HSE&Q Office is in charge of applying each ECos. When inspecting each power plant, they evaluate the following aspects:

- > Organization
- > Management aspects
- > Preventive processes
- > Sociopolitical relations and lawsuits
- > Permits and regulatory compliance
- > Improvement and corrective initiatives
- > Emergency incidents and management

The results of ECos are transferred into a report that consolidates findings, identifies critical situations, areas of improvement and establishes an action plan specifying the responsible party and the due date. The follow up on the action plan is performed through the Corporate Intranet and includes an alerts system for compliance with plan actions.

During 2015, 18 ECos were carried out at Endesa Chile power plants:

- > CC.HH. del Maule (six power plants)
- > CC.HH. of Laja and Biobío (six power plants)
- > C.T. Tarapacá
- > C.T. Atacama
- > CC.TT. San Isidro and San Isidro 2
- > C.T. Quintero
- > C.T. Bocamina

As a result of these activities, 139 actions were identified to be carried out by June 2016, of which 72% concluded during 2015.



# Regulatory Compliance [G4-DMA EN]

An important part of Endesa Chile's management effort is related to electricity power plant compliance with applicable environmental regulation, which is fundamental to the sustainability of its operations. Certain environmental improvement investment projects carried out by the Company are detailed below:

## Abatement System to Comply with DS No 13

### Bocamina Unit 1 Thermal Power Plant:

The construction and operation of the desulfurizer allows the mitigation of Sulphur dioxides (SO<sub>2</sub>) present in the gas stream.

The implementation of the nitrous oxides (NO<sub>x</sub>) abatement system, composed by a low NO<sub>x</sub> burner system, over fire air (OFA) system, and improvements in mill grading, among others.



### Taltal Thermal Power Plant:

In an attempt to implement the needed improvements for the thermal plant Taltal units to meet the NO<sub>x</sub> limits established in the D.S. N° 13/11, during September of 2015, a consultation pertaining to the "Demineralized Water Injection System for the Reduction of NO<sub>x</sub> Production in the Operation of the TalTal Petroleum-Diesel Open Cycle Thermoelectric Plant" was submitted to the Antofagasta Region Superintendence of Environment.

On October 22nd, 2015, through the Exempt Resolution N° 0426, the Environmental Authority resolved that this project did not require screening from the Environmental Impact Assessment System. As a result of this ruling, the Company began programming the works to be carried out during 2016.

### Tarapacá Steam Thermal Power Plant:

The Environmental Impact Statement of the "Tarapacá Steam Thermal Plant Modification" project, which included the SO<sub>2</sub> and NO<sub>x</sub> abatement systems that meet D.S. N° 13/11 stipulations, was approved on July 14th, 2015, through RCA N°055.

The abatement system works began during the second semester of 2015. Progress in 2015 includes the following: all excavations were finalized, the vast majority of supplies were received, and civil works for the main equipment and the assembly of fundamental structures were launched.



# Atmospheric Emissions Control [G4-DMA EN]

## Mercury Emissions

According to Chilean environmental regulation, thermal power plants that use coal as fuel must perform an isokinetic measurement of the mercury concentration of emissions once per semester.

The application of such environmental regulation at the Bocamina thermal power plant began in 2015 and measurements of both units were performed.

The measurements of the Tarapaca thermoelectric power plant are mandatory as of June 2016.

### Continuous Emissions Monitoring System (CEMS)

In order to comply with the requirements established in D.S. N° 13/11 "Thermoelectric Power Plant Emissions Standards", Endesa Chile has certified all the continuous emissions monitoring system (CEMS) of its power plants.

The generation units of the Atacama, Huasco, Diego de Almagro and Tarapacá TG power plants have been authorized to perform emissions calculations as an alternative to monitoring as established by legislation.

Due to the greater dispatch of the Atacama thermal power plant, during 2015 the CEMS of its Unit 1B received its certification resolution and is performing validation testing of its other three gas/oil units.



# Sanctions Process

**[G4-EN29]** Five new legal proceedings against the Company were presented during 2015. Four of them were presented by the Superintendence of the Environment regarding compliance with D.S. N° 13/11 and its protocols. Considering there were six previous claims still open, the Company worked on eleven proceedings during the year. Of this total, two concluded as of December 31st, 2015, both required the payment of a fine for a total Ch\$4,155 million.



# Management of Environmental Variables

## Water Resource management

**[G4-DMA EN] [G4-EN8]** Most of the water used by hydroelectric power plants is used to go through the turbine to generate electricity and then is returned to its source without losing volume or modifying its physical chemical characteristics. This resource is obtained from surface sources, mainly reservoirs.

In thermal power plants, water is obtained from the sea or wells according to the Company's water rights. Water is used for the refrigeration systems which is almost all returned to its original source. A small percentage goes into the atmosphere as steam, without contaminants.

Plants (m <sup>3</sup> , Hm <sup>3</sup> millions)		2013	2014	2015
Thermoelectric	Process	7	4	1.9
	Refrigeration	602	400	480
	Consumption	0.02	0.04	-

### River Basin Management

<b>Rapel hydroelectric power plant, located in the low basin of the Rapel River</b>	Endesa Chile kept the level of the reservoir at 104 during the summer (December thru February) to allow touristic and recreational activities to develop normally. This decision responded to the Company's will to be a good neighbor, considering that there is no regulation or commitment to do so.
<b>Cipreses and Isla hydroelectric power plants, located in the high basin of the Maule River</b>	During 2015, Endesa Chile participated as a guest at numerous meeting of the Maule River Oversight Board and by the end of 2015, Endesa Chile and the Hydraulic Works Department (DOH in its Spanish acronym) reached an agreement to add flexibility to the water extraction arrangement of the Maule River, in order to guarantee the efficient and combined use of water resources from Maule and La Invernada lagoons, the latter owned by Endesa Chile. Also, the subsidiary Pehuenche S.A reached an agreement with the Maule River Oversight Board so that those that use water for irrigation purposes save 80 million m <sup>3</sup> by using the Colbun reservoir (owned by third parties) and the Melado reservoir (owned by Pehuenche S.A.)
<b>Abanico, El Toro and Antuco hydroelectric power plants, located in the high basin of the Laja River</b>	Endesa Chile played an active role in the so called Water Tables along with regional authorities, the Hydraulic Works Department (DOH), and the irrigation community. The objective is to reach an agreement regarding water extraction from the Laja Lake that ensures long-term sustainability of the resource. While efforts are carried out to modify the 1958 Laja River regulation agreement, Endesa Chile and DOH subscribed an agreement to add flexibility to water extraction in 2015 and 2016.

# Water Discharges

**[G4-EN22]** Of the total water discharged from thermal power plants, 99.5% is water used by the refrigeration/cooling systems. This is a non-consumptive use of water and therefore is returned according to conditions determined by discharge regulation and the concentrations established by environmental qualification Resolutions that approved the installations.

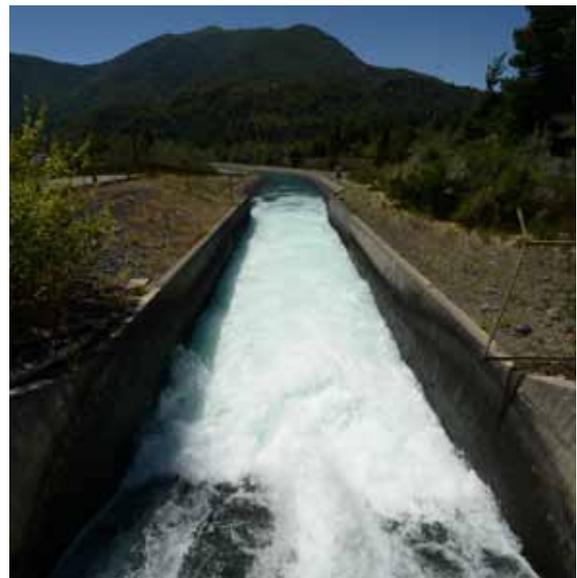
Industrial discharges of thermal power plants are monitored in terms of parameters, frequency and other requisites determined by Chilean environmental regulation (DS No 90/00 issued by the Secretary General of the Presidency).

Discharges of residual water come from the thermoelectric generation process and from refrigeration.

In 2015, discharges increased 2.6% when compared to the previous year despite the 3.9% electricity generation reduction presumably due to the generation mix. In 2015, coal generation increased 35% and combined cycle generation decreased 22%, when compared to 2014.

The following table details Endesa Chile's water discharges:

Total discharge volume (million m <sup>3</sup> /yr.)	2013	2014	2015
Total	663.95	470.23	481.51



# Fuel Consumption

**[G4-DMA EN] [G4-EN1] [G4-EN3]** The electricity generation process requires supplies and substances that are primarily related to thermal power plants. These are:

consumption		Period	Consumption
<b>Total fuel consumption</b>	<b>Mtoe (Millon Tons of Equivalent Oil)</b>	<b>2015</b>	<b>1,33</b>
Coal	Mtoe (Millon Tons of Equivalent Oil)	2015	0,37
Lignite	Mtoe (Millon Tons of Equivalent Oil)	2015	0,00
Fuel oil	Mtoe (Millon Tons of Equivalent Oil)	2015	0,00
Gas oil	Mtoe (Millon Tons of Equivalent Oil)	2015	0,24
Natural	Mtoe (Millon Tons of Equivalent Oil)	2015	0,72
Uranium (such as UF6)	Mtoe (Millon Tons of Equivalent Oil)	2015	0,00
Others	Mtoe (Millon Tons of Equivalent Oil)	2015	0,00
Biomass and waste used to generate electricity	Mtoe (Millon Tons of Equivalent Oil)	2015	0,00

# Thermoelectric Power Plant Energy Efficiency

**[EU11]** Endesa Chile evaluates the operational efficiency of its power plants based on the relation between the net energy produced as electricity and the energy that is used as fuel.

Content	Percentage	
Net Efficiency of coal plants	2013	36.0%
	2014	36.0%
	2015	35.3%
Net Efficiency of combined cycle plants	2013	51.0%
	2014	48.5%
	2015	44.9%
Net Efficiency of fuel-gas plants	2013	31.0%
	2014	30.3%
	2015	31.2%
Average Efficiency of thermoelectric plants	2013	44.0%
	2014	43.6%
	2015	39.8%

# Waste management

**[G4-EN22]** The Company's waste management is based on the applicable environmental regulation and dispositions of its Environmental Management System (SGA in its Spanish acronym). Within this framework, non-dangerous waste is temporarily stored in a waste yard and dangerous waste is stored in temporary storage rooms (bodegas de acopio temporal, BAT, in its Spanish acronym). The removal and final disposal is performed by specialized companies empowered by the respective sanitary authority.

Waste	Type of Plant	2013	2014	2015	Treatment Method
Dangerous waste	Thermal power plant	613	486	234.9	Final disposal in authorized waste site according to applicable environmental regulation
	Hydro power plant	74	37	66.4	
	Wind power plant	4	59	3.8	
	Total	690	581		
Non-Dangerous waste	Thermal power plant	40	38	434.2	Final disposal in authorized waste site according to applicable environmental regulation
	Hydro power plant	395	453	606.7	
	Wind power plant	0,0	0,2	0	
	Total	345	492		
Inert waste	Thermal power plant	179,370	59,305	106,115.9	Final disposal in authorized waste site according to applicable environmental regulation
	Total	179,370	59,305	106,115.9	

# Biodiversity Management

## Biodiversity Policy

**[G4-DMA EN]** In 2015, the corporate office disclosed its Biodiversity Policy which Endesa Chile included in its sustainable management system. The document was developed in order to contribute to the goals set forth by the United Nations Convention on Biodiversity (CBD), the Biodiversity Plan 2011-2020 and the Aichi Association's targets.

In this document, Endesa Chile commits to compensate its impact on biodiversity by planning activities regarding species and natural habitats, in order to avoid a "net loss" for biological diversity. The Company also commits to carry out studies to evaluate the effects of the construction of a power plant on the existing ecosystems and biodiversity in

order to avoid installing operations in high environmental value areas and also anticipating the adoption of the best solutions to eliminate, reduce or mitigate its impacts. Within this framework, cooperating with the work of communities, research centers and local environmental associations is also promoted.

During 2015, one of the protection projects under construction is located in the Huinay area, 34,000 hectares from the Comau or Leptepu in the Palena province, X Region, to Argentina. It is a privileged area in terms of biodiversity, and therefore the Company is working with the community and the local research centers.

# Interacting with Biodiversity

Operating Facility Inside or adjacent to protected area	Geographic Location	Operation Type	Location with respect to protected area	Protected area
Antuco, Abanico and El Toro Hydroelectric Power plants	Biobio Region, Antuco, Pinto districts	operating centers in land adjacent to the national park	adjacent.	Laja Lake National Park (area: 11,600 ha.)
Antuco, Abanico and El Toro Hydroelectric Power plants	Biobio Region, Antuco, Pinto, San Fabian and Coihueco districts	operating centers and offices in the corridor	Inside (Ñuble National Reserve)	Nevados de Chillan biological corridor- Laja Lake declared a biosphere reserve by Unesco in 2011 (area: 565,000 ha) It covers the Ñuble National Reserve, Laja Lake National Park and the National Reserve and Nature Sanctuary Los Huemules de Niblinto.
El Toro Hydroelectric Power plants	Biobio Region, Antuco, Pinto districts	Endesa Chile has water intake installations and constructions not in use of El Toro power plant within Alto Polcura, land owned by Endesa Chile (12,500 ha.).	Inside	Ñuble National Reserve (area: 55,948 ha. created in November 1978)
Pangue Hydroelectric Power plants	Biobio Region, Quilaco district	The south side of the Pangue reservoir is adjacent to the national reserve	Adjacent	Altos de Pemehue National Reserve (area: 18,855 ha.)



# Species with Conservation Concerns

[G4-EN14] Endesa Chile protects the diverse Chilean flora and fauna that inhabits the land where its facilities are located, by controlling the access so as to prevent people from hunting and cutting vegetation. The following table identifies the protected species and their official conservation status:

MAMMALS			
			
<p>↓</p> <p><b>HUEMUL</b> (Hippocamelus bisulcus)</p>	<p>↓</p> <p><b>ANDEAN MOUNTAIN CAT</b> (Leopardus jacobita)</p>	<p>↓</p> <p><b>CHUNGUNGO OR SEA OTTER</b> (Lontra felina)</p>	<p>↓</p> <p><b>MOON-TOOTHED DEGU</b> (Octodon lunatus)</p>
<p><b>HABITAT</b> Andean temperate deciduous forest (Nothofagus pumilio and alpine Azara)</p>	<p><b>HABITAT</b> Andean Mediterranean-tropical low shrubs of adesmia hystrix and Ephedra breana.</p>	<p><b>HABITAT</b> Seashore areas</p>	<p><b>HABITAT</b> Mountainous areas along the coast.</p>
<p><b>FACILITIES</b> C.H. El Toro</p>	<p><b>FACILITIES</b> CH Los Molles</p>	<p><b>FACILITIES</b> C.T. Tarapacá</p>	<p><b>FACILITIES</b> PE. Canela</p>
<p><b>RISK OF EXTINCTION</b> Endangered</p>	<p><b>RISK OF EXTINCTION</b> Endangered</p>	<p><b>RISK OF EXTINCTION</b> Vulnerable</p>	<p><b>RISK OF EXTINCTION</b> Vulnerable</p>
BIRDS			
			
<p>↓</p> <p><b>TRICAHUE PARROT</b> (Cyanoliseus patagonus)</p>	<p>↓</p> <p><b>GUANAY</b> (Phalacrocorax bougainvillii)</p>	<p>↓</p> <p><b>INCATERN</b> (Larosterna inca)</p>	<p>↓</p> <p><b>GREY GULL</b> (Leucophaeus modestus)</p>
<p><b>HABITAT</b> Andean Mediterranean deciduous forest (Nothofagus glauca and Nothofagus obliqua) and open shrub land.</p>	<p><b>HABITAT</b> Seashore areas.</p>	<p><b>HABITAT</b> Seashore areas.</p>	<p><b>HABITAT</b> Seashore areas.</p>
<p><b>FACILITIES</b> C.H. Pehuenche C.H. Ojos de Agua</p>	<p><b>FACILITIES</b> C.T. Tarapacá</p>	<p><b>FACILITIES</b> C.T. Tarapacá</p>	<p><b>FACILITIES</b> C.T. Tarapacá</p>
<p><b>RISK OF EXTINCTION</b> Vulnerable</p>	<p><b>RISK OF EXTINCTION</b> Vulnerable</p>	<p><b>RISK OF EXTINCTION</b> Vulnerable</p>	<p><b>RISK OF EXTINCTION</b> Vulnerable</p>
			
<p>↓</p> <p><b>HUMBOLDT PENGUIN</b> (Spheniscus humboldti)</p>	<p>↓</p> <p><b>MAGELLAN SNIPE</b> (Gallinago paraguaiiae)</p>		
<p><b>HABITAT</b> Seashore areas</p>	<p><b>HABITAT</b> Seashore areas.</p>		
<p><b>INSTALACIONES</b> C.T. Tarapacá</p>	<p><b>INSTALACIONES</b> C.T. Tarapacá</p>		
<p><b>ESTADO DE CONSERVACIÓN</b> Vulnerable</p>	<p><b>ESTADO DE CONSERVACIÓN</b> Vulnerable</p>		

## FISH



**RIVERTOLLO**  
(*Diplomystes nahuelbutaensis*)

### HABITAT

Mountainous areas along the coast.

### FACILITIES

P.E. Canela

### RISK OF EXTINCTION

Vulnerable



**CARMELITA OF CONCEPCIÓN**  
(*Percilia irwini*)

### HABITAT

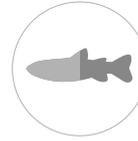
Biobio river.

### FACILITIES

CC.HH. Pangué y Ralco

### RISK OF EXTINCTION

Endangered



**BRAGRECITO**  
(*Trichomycterus chiltoni*)

### HABITAT

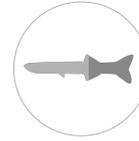
Biobio river.

### FACILITIES

CC.HH. Pangué y Ralco

### RISK OF EXTINCTION

Endangered



**SMALL BRAGRE**  
(*Trichomycterus areolatus*)

### HABITAT

Biobio river.

### FACILITIES

C.H. Pangué

### RISK OF EXTINCTION

Endangered

## FAUNA



**IQUIQUE COPAO CACTUS**  
(*Eulychnia iquiquensis*)

### HABITAT

Cipreses river

### FACILITIES

C.H. Ojos de Agua

### RISK OF EXTINCTION

Vulnerable



**TALTAL QUISQUITO**  
(*Pyrrhocactus taltalensis*)

### HABITAT

Mediterranean coastal desert shrub land (*Gypothamnium pinifolium* and *Heliotropium pycnophyllum*).

### FACILITIES

C.T. Taltal

### RISK OF EXTINCTION

Vulnerable



**PALO GORDO**  
(*Carica chilensis*)

### HABITAT

Mediterranean coastal desert shrub land (*Gypothamnium pinifolium* and *Heliotropium pycnophyllum*).

### FACILITIES

C.T. Taltal

### RISK OF EXTINCTION

Vulnerable



**VIOLET**  
(*Calydorea xiphioides*)

### HABITAT

Mediterranean coastal desert shrub land (*Bahia ambrosioides* and *Puya chilensis*)

### FACILITIES

P.E. Canela

### RISK OF EXTINCTION

Vulnerable



**CHAGUALILLO**  
(*Puya venusta*)

### HABITAT

Mediterranean coastal desert shrub land (*Bahia ambrosioides* and *Puya chilensis*)

### INSTALACIONES

P.E. Canela

### ESTADO DE CONSERVACIÓN

Vulnerable



**YELLOW SOLDIER**  
(*Tropaeolum hookerianum*)

### HABITAT

Mediterranean coastal desert shrub land (*Bahia ambrosioides* and *Puya chilensis*)

### INSTALACIONES

P.E. Canela

### ESTADO DE CONSERVACIÓN

Vulnerable

## Biodiversity Conservation

Endesa Chile's Biodiversity conservation activities are developed in compliance with the obligations established by the Environmental Qualifications Resolution (RCA) of power plants in the stage of operations.

The Company monitors the population of animals and native vegetation regularly to opportunely detect any possible impact power plant operations could have on the biodiversity within the area of influence. Monitoring is designed and applied according to the specific characteristics of each territory and are evaluated based on quarterly and semi-annual reports.

## Climate Change

In light of scientific evidence regarding carbon emissions and climate change, during 2015 the corporate Group expressed its commitment to the reduction of carbon emissions and considering it in the Company's decision making process.

Furthermore, a corporate level mandate was issued to not develop any new coal based investment project. This would represent a first step in the transition towards renewable energies and the reduction of fossil fuel based electricity generation which is among the objectives for 2050.

This is how the Company has adjusted its 2015-2019 strategic plan to the corporate Sustainability Plan and new vision, confirming its commitment to reduce carbon emissions, aiming to become neutral by 2050, with the use of renewable sources of energy, innovation and energy efficiency.

## Endesa Chile's Non-conventional Renewable Energy Facilities (NCRE)

[G4-EN7]

Power Plants	Wind Farm power plants Canela and Canela II	Ojos de Agua mini-hydroelectric
Description	<p><b>Canela Wind Farm Power Plant:</b> En operación desde 2007, posee una capacidad de 18,15 MW y cuenta con 11 aerogeneradores. Es la primera en su tipo conectada al SIC.</p> <p><b>Canela II Wind Farm Power Plant:</b> in operations since 2009, has 60 MW installed capacity and 40 wind turbines.</p>	<p>Uses the energy potential of the water flow of the two main springs coming from the subsurface of the La Invernada Lake. The water flow is estimated to be nearly 11.6 m<sup>3</sup>/s; the grade difference between the springs and the headrace tunnel of the Isla hydroelectric power plant is 65 meters.</p>
Location	Coquimbo Region	Maule Region
Installed Capacity	Total installed capacity 78.15 MW	Total installed capacity 9 MW

# Supply Chain

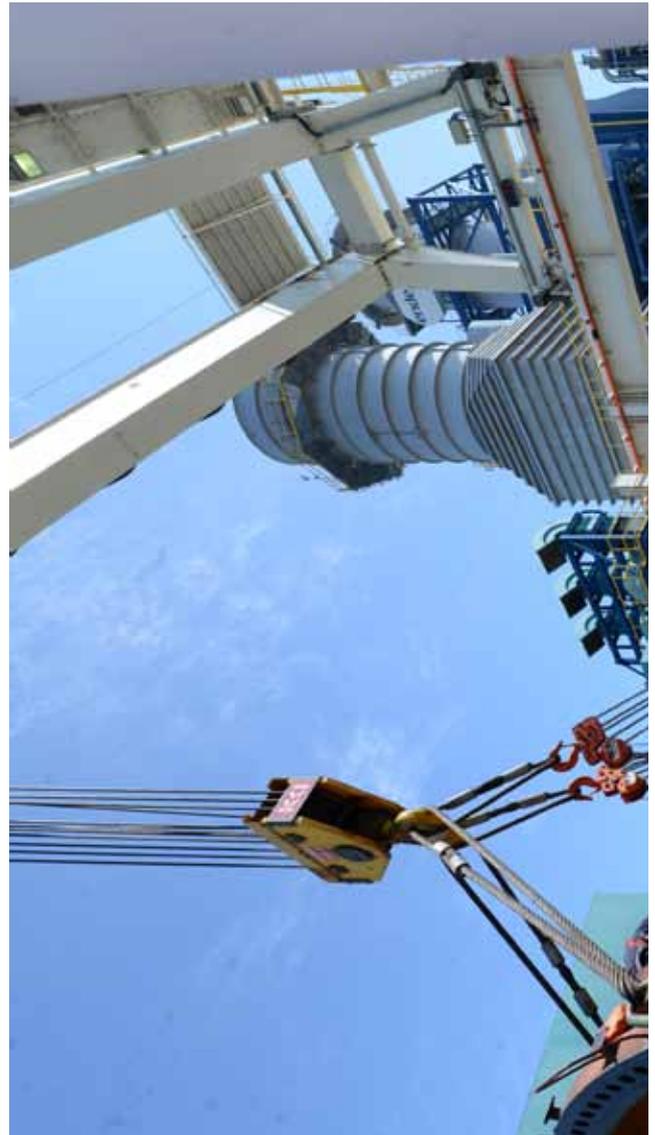
**[G4-DMA LA]** Endesa Chile considers having a controlled supply chain that allows working efficiently and to the highest standards of quality and security for its contractors a priority.

This is why during 2015 the Group focused its efforts towards safeguarding its contractor's health and safety through a series of good practices, included in its Works Suspension and Ethical Conduct Policies, as well as developing a specific classification, rating and assessment system of suppliers to ensure the highest standards of quality.

## Suppliers and Contractors

**[G4-10] [EU17]** In 2015, 2,190 suppliers worked for Endesa Chile companies.

Regarding contractor employees, a total 2,363 workers performed activities for the Company. They worked 872,598 days, of which 35.14% were dedicated to operations, 6.35% to maintenance and 58.51% to construction.



# Purchasing Practices [G4-12]

## Standard Contract Conditions

The Standard Contract Conditions (CGC in its Spanish acronym) regulate the contractual relationship between Endesa Chile and all companies of the Enersis group and their suppliers, regarding the procurement of materials, equipment, construction works and services. The fourth edition of this document became effective on October 1st, 2015, and includes appendices for every countries in which the Group operates in Latin America.



## Environmental and Social Requirements

### Global Compact

Every contractor that works for Endesa Chile agrees to fully comply with the principles stipulated in the Global Compact, ensuring that all activities carried out by its own staff, or by subcontractors comply with the principles framed therein.

Thus, contractors commit to comply with current legislation and inform Endesa Chile when a situation arises that could lead to non-compliance with these principles and a plan to remedy such situations.

In addition, and for the duration of the contract, the contractor must allow Endesa Chile to verify the degree of compliance, and may even terminate the contracts if contractors or subcontractors breach any of the principles established in the Compact.

### Environmental protection

The contractor commits to adopt the appropriate measures that ensure the fulfillment of its environmental obligations, according to the legislation in force in each country.

### Ethical Conduct

The contractor must comply with the corporate principles declared by the Code of Ethics, Zero Tolerance Plan against bribery, and its Human Rights Policy. They must also agree to adhere to legal regulations regarding the protection of work, women, and children; equal treatment; discrimination prohibition; abuse and harassment; freedom of association and representation; forced labor prohibition; environmental protection and safety; hygiene and sanitary conditions; and compliance with legislation on wages, pensions and social security contributions, insurance or current OIT rules. All the

above applies to all workers, in any capacity, to carry out a contract for the Company.

### Conflict of Interests

During the length of the contract with Endesa Chile, the supplier must commit to behave adequately in order to avoid conflicts of interests, having to exclusively consider the interests of the Company. If this happens to occur despite efforts to avoid it, the contractor commits to inform Endesa Chile in writing and comply with the instruction that are given by Endesa Chile.

### Health and Safety

[G4-LA14] [G4-LA15] For Endesa Chile, protecting, health, safety and the physical and psychological integrity of individuals is not only a legal obligation but also a moral responsibility towards its employees and contractors, which is why its objective is to reach a zero accident work environment.

In this regard, the Company follows the guidelines set forth by the Corporate Works Suspension Policy which states that when a risky situation arises the works must be suspended and safety conditions must be restored.

### On Site Audits

In order to assess the level of implementation of the Occupational Risk Prevention System and transfer the respective good practices, the Company performs On-Site Audits to service suppliers. They are carried out by a multidisciplinary team of professionals from the tech, occupational health and safety, and supplier rating/qualification departments of the Company that apply a methodology based on OSHSAS 18001 to determine if the supplier satisfies the established standards. Plans to remedy nonconformance are determined for those that present deficiencies.

## Supplier Pre Rating/Qualification

[G4-LA14] [G4-LA15] Endesa Chile has defined standards to ensure that the suppliers and contractors that participate in their bidding processes meet these standards, relating to business, occupational health and safety, and labor and environmental compliance, among other aspects subject to evaluation.

The contractor or supplier, is evaluated beforehand on these criteria, identifying whether they are suitable to provide its services to the Group. With this preselection, only those who are fit to develop these projects are invited to participate.

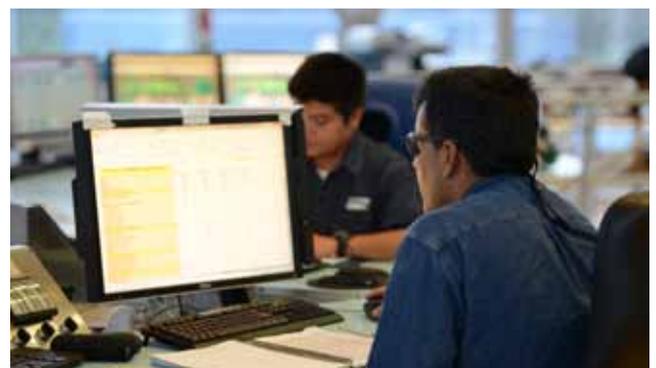
The rating/qualification process will be reviewed and improved in 2016 by applying corporate standards definitions.

## Supplier Rating/Qualification

[G4-LA14] [G4-LA15] Endesa Chile has established a rating system designed to monitor and evaluate the services rendered by its suppliers and the quality of the products it purchases.

This process involves periodically monitoring its suppliers once they have been awarded a contract, in order to evaluate their performance in terms of quality, punctuality, contractual compliance, and occupational health and safety.

In 2015, the number of suppliers evaluated increased significantly, and in 2016 the process will be extended and revised to include corporate standards definitions.



# Relationships and Development of Contractors and Suppliers

## Organizational Climate

**[G4-LA14] [G4-LA15]** The objective of the Organizational Climate Program for Endesa Chile contractors is to strengthen the relationship with the organizational culture of the Company, causing a positive impact on climate indicators, which are measured by customers, based on different dimensions.

There are fourteen aspects that seek to identify the degree of satisfaction of workers with their employers. Teamwork, development, recognition, impression of supervision, interpersonal environment, communication, and risk prevention are among the most relevant aspects.

The goals of the climate program include:

- > Measure organizational climate through a survey and focus groups.
- > Deliver results to the areas that receive the service rendered by the contract and contractors.
- > Develop an action plan focused on the results of the survey.
- > Follow-up on the action plans in order to manage organizational climate.

- > Transversal activities financed and coordinated by the customers, for the contractors.

During 2015 the focus was placed on generating action plans adjusted to each service provided, under the responsibility of the contractor, as well as carrying out transversal activities offered by Endesa to participating companies.

In Endesa Chile's case, a local renowned athlete conducted several outdoor activities, focused on communication and teamwork. These activities took place in the Maule, Rapel and Sauzal power plants. In addition, and in an exceptional manner, it was also implemented in the Los Cóndores Project, to which the supervisors of several different contractor companies attended.

Regarding the organizational climate measurements, the following results were obtained in 2015:

	Endesa Chile
Satisfaction %	81.4%
Number of contractor employees surveyed	232
Number of contractor companies represented	9

Source: Contractor Services Department, Endesa Chile



## Competency Accreditation

Endesa Chile considers having accredited contractor profiles essential, and has therefore developed the Accreditation Program, which establishes key profiles for each service related to the generation business. Workers are then evaluated based on these key profiles, identifying those that meet the performance criteria, thus qualifying for accreditation.

Contractors that do not qualify for accreditation based on the key profiles must undergo training to close gaps and seek qualification in a reevaluation process.

The first semester of 2015 was dedicated to the creation and validation of these profiles, and later contractor evaluations took place, obtaining the following results:

- > 58 validated profiles, 132 evaluated contractor employees and 56 accredited.

### Supplier Conference

On November 2<sup>nd</sup>, 2015, the 6<sup>th</sup> Endesa Supplier Conference was held in Santiago to acknowledge outstanding performances by materials and services suppliers regarding the following dimensions:

- > Occupational health and safety
- > Service excellence

In this occasion, three suppliers of Endesa Chile were acknowledged.

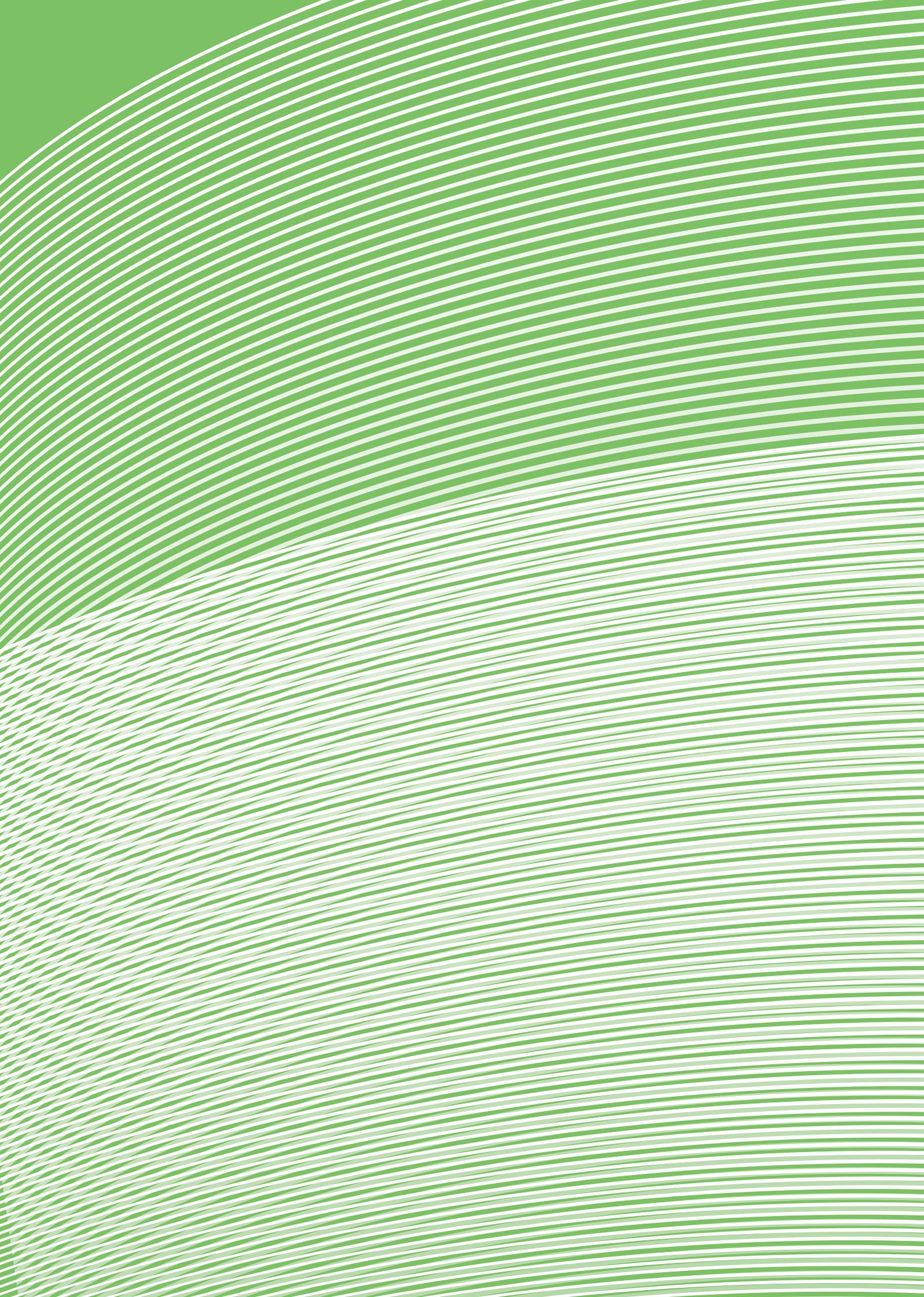
## Alliances Project

During 2015, a corporate level Contractor Sustainability Program was developed, focused primarily on managing human resources processes of all Endesa Chile's contractor companies, providing common guidelines among contractors and establishing commitments with them.



# Appendices





# Principles for preparing Sustainability Reports, according to GRI G4

## Principles for defining the content of the report

**Stakeholder Inclusiveness:** The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

**Sustainability Context:** The report should present the organization's performance in the wider context of sustainability.

**Materiality:** The report should cover aspects that: reflect the organization's significant economic, environmental and social impacts; and aspects that substantively influence the assessments and decisions of stakeholders.

**Completeness:** The report should include coverage of material aspects and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period.

**Balance:** The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.

**Comparability:** The organization should select, compile and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations.

**Accuracy:** The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization's performance.

**Timeliness:** The organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.

**Clarity:** The organization should make information available in a manner that is understandable and accessible to stakeholders using the report.

**Reliability:** The organization should gather, record, compile, analyze and disclose information and processes used in the preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.

# External Verification Report



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## Informe de Verificación Limitada Independiente del Informe de Sostenibilidad Endesa Chile 2015.

Señores  
Presidente y Directores  
Empresa Nacional de Electricidad S.A. (Endesa S.A.)  
Presente

### Alcance

Hemos efectuado una verificación limitada independiente de los contenidos de información y datos presentados en el Informe de Sostenibilidad 2015 de Endesa Chile al 31 de diciembre 2015.

La preparación de dicho Informe es responsabilidad de la Administración de Endesa Chile S.A. Asimismo, la Administración de Endesa Chile S.A. también es responsable de la información y las afirmaciones contenidas en el mismo, de la definición del alcance del informe y de la gestión y control de los sistemas de información que hayan proporcionado la información reportada.

### Estándares y procedimientos de verificación

Nuestra revisión fue efectuada de acuerdo a la norma de verificación internacional para auditorías de información no financiera ISAE 3000, establecida por el International Auditing and Assurance Board de la International Federation of Accountants, la Guía para la elaboración de Reportes de Sostenibilidad del Global Reporting Initiative (GRI) en su versión G4 y su respectivo Suplemento sectorial para la industria eléctrica.

Nuestros procedimientos fueron diseñados con el objeto de:

- ▶ Determinar que la información y los datos presentados en el Informe de Sostenibilidad 2015 estén debidamente respaldados por evidencias.
- ▶ Determinar que Endesa Chile S.A. haya elaborado su Informe de Sostenibilidad 2015 conforme a los indicadores de desempeño y los principios de la Guía GRI en su versión G4 y su Suplemento sectorial para la industria eléctrica.
- ▶ Confirmar el nivel de aplicación declarado por Endesa Chile S.A. a su Informe de Sostenibilidad 2015, según la guía G4.

### Procedimientos realizados

Nuestra labor de verificación consistió en la indagación con representantes de la Dirección, Gerencias y unidades de Endesa Chile S.A., involucradas en el proceso de elaboración del Informe, así como en la realización de otros procedimientos analíticos y pruebas de muestreo como se describen a continuación:

- ▶ Entrevistas a personal clave de Endesa Chile S.A. a objeto de evaluar el proceso de elaboración del Informe de Sostenibilidad 2015, la definición de su contenido y los sistemas de información utilizados.
- ▶ Revisión de la documentación de respaldo proporcionada por Endesa Chile S.A.
- ▶ Revisión de fórmulas y cálculos mediante re-cálculos.
- ▶ Revisión de la redacción del Informe 2015 a objeto de asegurar que no induzca a error o duda respecto a la información presentada.

### Nuestra responsabilidad

Nuestra responsabilidad se limita exclusivamente a los procedimientos mencionados en el párrafo anterior, correspondientes a una verificación de alcance limitado, la cual sirve de base para nuestras conclusiones. No aplicamos procedimientos de verificación extendidos, cuyo objeto es de expresar una opinión de verificación externa sobre el Informe de Sostenibilidad de Endesa Chile S.A. 2015. En consecuencia no expresamos tal opinión.

### Conclusiones

Subjecto a las limitaciones del alcance señaladas anteriormente y basados en nuestro trabajo de verificación limitada independiente del Informe de Sostenibilidad 2015 de Endesa Chile S.A., podemos concluir que nada ha llamado nuestra atención que nos haga suponer que:

- ▶ La información y los datos publicados en el Informe de Sostenibilidad 2015 de Endesa Chile S.A. no estén presentados de forma correcta.
- ▶ El Informe de Sostenibilidad 2015 de Endesa Chile S.A. no haya sido elaborado en conformidad con la versión G4 de la guía para la elaboración de Reportes de Sostenibilidad del GRI, y su Suplemento para el Sector Electricidad.
- ▶ La opción "Core" declarada por Endesa Chile S.A. no cumpla con los requisitos para tal nivel de acuerdo a lo establecido en la guía de aplicación GRI versión G4.

### Recomendaciones de mejora

Sin que incidan en nuestras conclusiones indicadas en el párrafo anterior de alcance limitado, hemos detectado ciertas oportunidades de mejora al Informe de Sostenibilidad 2015 de Endesa Chile S.A., las cuales se detallan en un informe de recomendaciones separado, presentado a la Administración de Endesa Chile S.A..

Saludamos atentamente a usted,

EY Consulting Ltda.

Diego Pleszowski

5 de abril de 2016  
I-00583/16

## GENERAL BASIC CONTENT

Indicator	Description	Global Pact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
<b>Strategy and Analysis</b>						
G4-1	Letter from the Chairman and CEO	-	-	6.2	✓	8
<b>Organizational Profile</b>						
G4-3	Name of the organization	-	-	-	✓	12
G4-4	Primary brands, products, and/or services	-	-	-	✓	12
G4-5	Location of the organization's headquarters	-	-	-	✓	12
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	-	-	-	✓	12
G4-7	Nature of ownership and legal form	-	-	-	✓	16
G4-8	Markets served	-	-	-	✓	66, 68
G4-9	Scale of the reporting organization	-	-	-	✓	12
G4-10	a. Number of employees by employment contract and gender b. Number of fixed employees by employment type and gender c. Total workforce by employees and supervised workers and by gender d. Total workforce by region and gender e. Indicate whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors f. Report any significant variations in employment numbers	-	1 3	6.4 6.4.3	✓	71, 101
G4-11	Percentage of total employees covered by collective bargaining agreements	1 3	-	6.3.10 6.4 6.4.3 6.4.4 6.4.5	✓	77
G4-12	Describe the organization's supply chain	-	-	-	✓	102
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	-	-	-	✓	16
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	-	-	-	✓	64, 65
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	-	-	-	✓	25

Indicator	Description	Global Pact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
G4-16	List memberships of associations and national or international advocacy organizations	-	.	-	✓	25
<b>Identified Material Aspects and Boundaries</b>						
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	-	-	6.2	✓	17 Greater detail in Endesa's Annual Financial Report
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	-	-	-	✓	32
G4-19	List all the material Aspects identified in the process for defining report content.	-	-	-	✓	34
G4-20	For each material Aspect, report the Aspect Boundary within the organization	-	-	-	✓	34
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	-	-	-	✓	34
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	-	-	-	✓	17
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	-	-	-	✓	34
<b>Stakeholder Engagement</b>						
G4-24	Provide a list of stakeholder groups engaged by the organization.	-	-	6.2	✓	28
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	-	-	6.2	✓	28
G4-26	Report the organization's approach to stakeholder engagement	-	-	6.2	✓	28
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	-	-	6.2	✓	28
<b>Report Profile</b>						
G4-28	Reporting period for information provided	-	-	-	✓	17
G4-29	Date of most recent previous report (if any)	-	-	-	✓	17
G4-30	Reporting cycle	-	-	-	✓	17
G4-31	Provide the contact point for questions regarding the report or its contents.	-	-	-	✓	Back cover
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	-	-	-	✓	17
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	-	-	7.5.3	✓	17

Indicator	Description	Global Pact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
<b>Governance</b>						
G4-34	Report the governance structure of the organization, including committees of the highest governance body.	-	-	6.2	✓	20
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	-	-	-	✓	The Board of Directors delegates its powers to the Chief Executive Officer, who in turn partially delegates these powers to executive officers and area managers in the various areas of the company. This authority delegation system allows for the daily and ordinary management of the company to depend on area managers and the CEO. The Board, however, reserves its right to approve acts or contracts for higher amounts or the revision of strategic aspects of the company.
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	-	-	-	✓	The company has a Sustainability and HSEQ areas, which have specific managers who are responsible for managing social and environmental issues.
G4-38	Report the composition of the highest governance body and its committees	-	-	6.2	✓	20
G4-39	Report whether the Chair of the highest governance body is also an executive officer	-	-	6.2	✓	None of the board members (including the chairman) hold executive positions
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	-	-	6.2	✓	23
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	-	-	-	✓	22, 33
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. b. Report actions taken in response to evaluation of the highest governance body's performance.	-	-	6.2	✓	22
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	-	-	-	✓	The Board of Directors is in charge of approving the Sustainability Report
<b>Ethics and Integrity</b>						
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	-	-	6.2	✓	15, 23
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.			6.2	✓	23

Indicator	Description	Global Pact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
<b>Aspecto: Estrategia y gobierno corporativo</b>						
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.				✓	12
EU2	Net energy output broken down by primary energy source and by regulatory regime.				✓	12
EU3	Number of residential, industrial, institutional and commercial customer accounts				✓	66, 68

## SPECIFIC BASIC CONTENTS

Indicator	Description	Global Compact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
<b>CATEGORY: ECONOMIC</b>						
<b>Aspect: Economic Performance</b>						
G4-DMA	Management approach	-	-	6.2.6.8	✓	19
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	-	-	-	✓	19
<b>Aspect: Research and Development</b>						
G4-DMA	Management Approach	-	-	-	✓	44
<b>Aspect: System Efficiency</b>						
G4-DMA	Management Approach	-	-	-	✓	63, 65
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime.	-	-	-	✓	95
<b>CATEGORY: ENVIRONMENTAL</b>						
<b>Aspect: Materials</b>						
G4-DMA	Management Approach		7	6.2 6.5	✓	95
G4-EN1	Materials used by weight or volume		7	6.5 6.5.4	✓	95
<b>Aspect: Energy</b>						
G4-DMA	Management Approach		7	6.5 6.5.4	✓	95
G4-EN3	Energy consumption within the organization		7	6.5 6.5.4	✓	93
G4-EN7	Reductions in energy requirements of products and services		7	6.5 6.5.4	✓	100
<b>Aspect: Water</b>						
G4-DMA	Management Approach				✓	93
G4-EN8	Total water withdrawal by source.				✓	93
<b>Aspect: Biodiversity</b>						
G4-DMA	Management Approach				✓	96
G4-EN13	Habitats protected or restored				✓	62

Indicator	Description	Global Compact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.				✓	98
<b>Aspect: Emissions</b>						
G4-DMA	Management Approach				✓	95
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions		-	6.5 6.5.5	✓	In 2015, total power plants' emissions per MWh of net generation are 0.70 NO <sub>x</sub> and 1.35 SO <sub>x</sub> .
<b>Aspect: Compliance</b>						
G4-DMA	Management Approach				✓	90
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.				✓	92
<b>CATEGORY: SOCIAL – LABOR PRACTICES AND DECENT WORK</b>						
<b>Aspect: Employment</b>						
G4-DMA	Management Approach	-	-	-	✓	71
G4-LA1	Número y tasa de contrataciones y rotación media de empleados, desglosados por edad, sexo y región.		1 3	6.4 6.4.3	✓	71
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		1 2 4 5 6	6.4 6.4.3 6.4.4	✓	73
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities.	-	.	-	✓	101
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training.	-	-	-	✓	82
<b>Aspect: Occupational Health and Safety</b>						
G4-DMA	Management Approach		6	6.4 6.4.6	✓	79, 81, 85
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.		6	6.4 6.4.6	✓	81
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.		-	6.4 6.4.6	✓	82, 84, 85
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		4 5 6	6.4 6.4.5 6.8 6.8.3 6.8.4 6.8.8	✓	82
G4-LA8	Health and safety topics covered in formal agreements with trade unions		5	6.4 6.4.6	✓	83, 84

Indicator	Description	Global Compact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
<b>Aspect: Training and Education</b>						
G4-DMA	Management Approach	-	3	6.4	✓	78
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	-	3	6.4 6.4.7	✓	75
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	-	1 3	6.4 6.4.7 6.8.5	✓	75
<b>Aspect: Diversity and Equal Opportunity</b>						
G4-DMA	Management Approach	-	3	-	✓	78
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	-	3	6.3.7 6.3.10 6.4 6.4.3	✓	71
<b>Aspect: Supplier Assessment for Labor Practices</b>						
G4-DMA	Management Approach	-	-	-	✓	101
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	-	-	-	✓	103, 104
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	-	-	-	✓	103, 104
<b>CATEGORY: SOCIAL - SOCIETY</b>						
<b>Aspect: Local Communities</b>						
G4-DMA	Management Approach	-	-	6.2 6.6 6.8	✓	48, 51, 56
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	-	1 2 3 4 5 6 7 8	6.3.9 6.6.7 6.8 6.8.5 6.8.7	✓	49
G4-SO3	Operations with significant actual or potential negative impacts on local communities.	-	1 2 3 4 5 6 7 8	6.3.9 6.6.7 6.8 6.8.5 6.8.7	✓	50
EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development.	-	1 2 3 4 5 6 7 8	6.3.9 6.6.7 6.8 6.8.5 6.8.7	✓	61

Indicator	Description	Global Compact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
EU20	Approach to managing the impacts of displacement.		1	6.3.9 6.6.7 6.8 6.8.5 6.8.7	✓	56
			2			
			3			
			4			
			5			
			6			
			7			
			8			
EU22	Número de personas desplazadas por la expansión o nuevo proyecto relacionado con las instalaciones de generación y líneas de transmisión, analizadas por desplazamiento físico y económico.		1	6.3.9 6.6.7 6.8 6.8.5 6.8.7	✓	56, 57
			2			
			3			
			4			
			5			
			6			
			7			
			8			
<b>Aspect: Anti-corruption</b>						
G4-DMA	Management Approach		-	6.6 6.6.3	✓	23
G4-SO2	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.		-	6.6 6.6.3	✓	100% of all Endesa Chile's business units have been evaluated for risks relating to corruption. This refers to specific evaluations of risk related to corruption, as well as a risk factor within general risk evaluations.
G4-SO5	Confirmed incidents of corruption and actions taken.		-	6.6 6.6.3	✓	23
<b>Aspect: Public Policy</b>						
G4-DMA	Management Approach		-	6.6 6.6.3	✓	24
G4-SO6	Total value of political contributions by country and recipient/beneficiary		-	6.6 6.6.4	✓	23
<b>Aspect: Compliance</b>						
G4-DMA	Management Approach	-	-	6.6 6.6.7 6.8.7	✓	23
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	-	6.6 6.6.7 6.8.7	✓	24
<b>CATEGORY: SOCIAL – PRODUCT RESPONSIBILITY</b>						
<b>Aspect: Product and Service Labeling</b>						
G4-DMA	Management Approach	-	-	6.2 6.6 6.7	✓	66, 68
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements.	-	-	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	✓	66

Indicator	Description	Global Compact Principles	Millennium Development Goals	ISO 26,000	External Verification	Page (Temporary Information)
G4-PR5	Results of surveys measuring customer satisfaction	-	-	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	✓	67



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