



**Sustainability Report**  
**Enel Generación Chile**  
**2018**







Sustainability  
Report  
Enel Generación  
Chile  
2018





Letter to our stakeholders

04



# Long-term sustainable growth

Sustainability, along with innovation, drives inclusive growth

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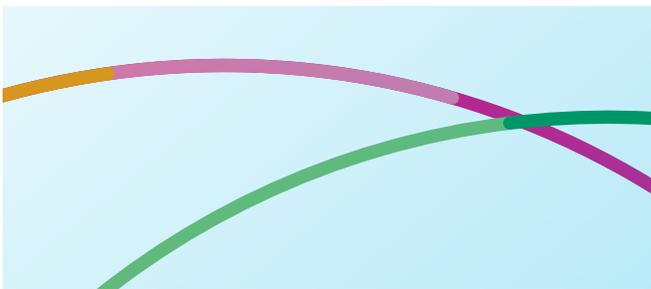




# Sustainable value created

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# Letter to our stakeholders

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It is my pleasure to present our Sustainability Report which reflects our management and performance in the environmental, social and governance arenas in 2018.

Lately the context in which the energy industry evolves has been subject to important changes. Whereas the energy transition globally presents new challenges, at a local level it has taken the public agenda, together with other issues such as poverty, regional inequity, access to utilities and persisting gaps in education.

In response to the requirements posed by this new scenario and reasserting our industry leadership and key role in society, in 2018 we focused on optimizing our assets through digitalization and automation, on strengthening our relations with communities neighboring to our operations, and on the professional development of our collaborators.

We continued to introduce innovative technologies in our power plants, such as telecontrol and preventive maintenance, reducing maintenance costs and operational failures, incrementing thus the availability of our power plants and the efficiency in the use of resources.

As a result, we were able to improve the efficiency of our thermal power plants, which will contribute to the flexibility of the national energy matrix, guarantee power supply and facilitate the inclusion of renewable energy sources.

In 2018, the Company updated its Environmental and Biodiversity Policies in order to strengthen its commitment with the conservation of natural resources and environmental management. Beyond compliance with regulatory environmental standards, both policies encourage the development of innovative solutions to manage environmental externalities throughout the entire value chain and to create shared value for our neighboring communities.

During 2018 we strengthened our relations with local communities, joining efforts on collaborative projects that enhance local social economic development.

We aligned our activities with the United Nations Sustainable Development Goals, the Country Commitment issued by the Ministry of Social Development, and the Ministry of Energy's 2018-2022 Energy Roadmap. Within this context we focused on the access to utilities - specifically to water, energy and infrastructure - for vulnerable communities, educational programs and local economic development, particularly within the ecotourism sector.

In the sphere of Human Rights, we extended the due diligence conducted in 2016 to all of our operations in order to consolidate and implement appropriate remediation plans, ensuring thus a better control on potential infringements to the fundamental rights of our stakeholders.

During 2018 we continued with the development of our people, crucial to all our achievements. We focused our management, both of our employees as our contractors, on the consolidation of a diverse, inclusive labor environment, encouraging their professional development yet, at the same time, ensuring a proper balance between work and family life. We also continued strengthening our safety culture in order to prevent any type of occupational accidents.

Finally, as part of its commitment to the best governance practices, in 2018 Enel Generación certified its anti-bribery management system according to ISO 37001, becoming the first Company in the electricity sector to achieve this recognition, together with its parent Company, Enel Chile, improving simultaneously our internal and external compliance system by identifying risks and training our employees.

All these achievements are reflected in the Company's incorporation to the FTSE4Good 2018, one of the most recognized global Sustainability Indexes. It acknowledged our social, environmental and corporate governance performance, positioning us as a leader in the global emerging markets.

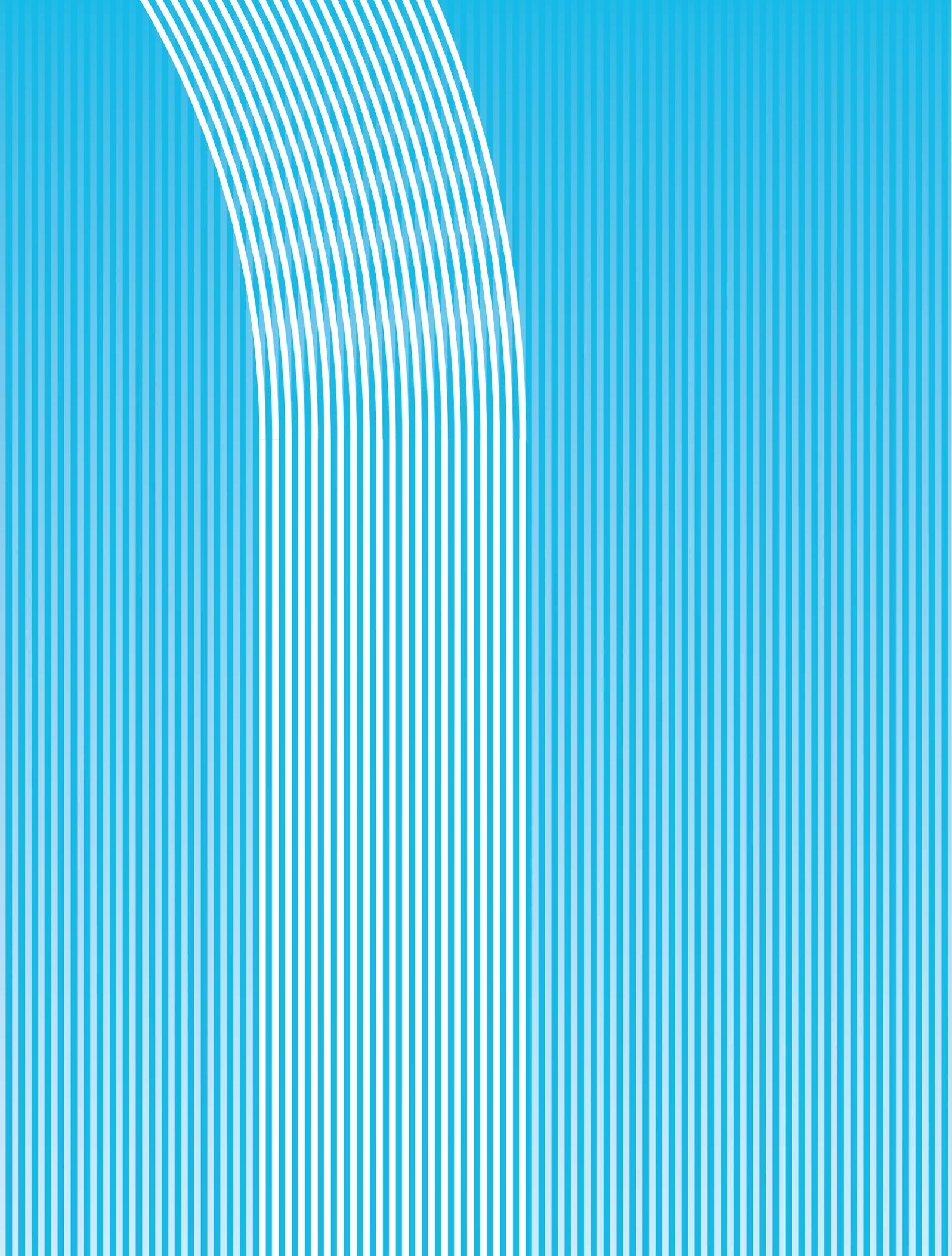


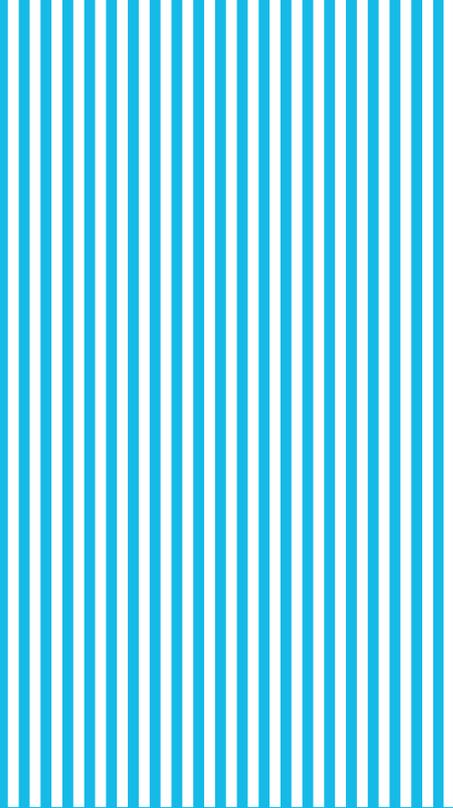
Giuseppe Conti  
Chairman of Enel Generación Chile S.A.



Valter Moro  
Chief Executive Officer







# 01

Long-term  
sustainable  
growth



# About Enel Generación Chile

102-1 102-2 102-3 102-4 102-6 102-7

**E**nel Generación Chile S.A. is part of the Enel Group, one of the world's leading operators in the energy sector with presence in 35 countries and 5 continents, supplying energy to more than 73 million end consumers with a net installed capacity of approximately 89 GW..

Enel Generación and its subsidiaries generate and commercialize electric energy. The Company is currently the prin-

cipal power generator in Chile. In 2018, it operated 111 units, producing a total of 17,373 GWh.

It has an installed capacity of 6,274 MW, comprised of 56% renewable energy (hydroelectric and wind), and 44% of thermal energy.

In 2018, Enel Generación Chile sold 23,343 GWh of energy.

## Types of customers

### Unregulated customers

Customers with a connected power above 5,000 kW, allowed - by law - to negotiate the supply price directly with Enel Generación.

### Optional customers

Law 20,805 allows customers with a power consumption above 500 kW to opt for one of both existing tariff regimes, with the condition to maintain the applied system for at least four years



The main subsidiaries of Enel Generación are:  
Empresa Eléctrica Pehuenche S.A.  
Central Eléctrica Tarapacá S.A.  
Gas Atacama S.A.

# Ownership structure

102-45

**E**nel Generación Chile is part of Enel Chile S.A., which holds 93.55% of the Company's shares. Enel Chile in turn is owned by Enel SpA that owns 61.93% of its shares. The remaining 38.07% is held by 6,302 different shareholders.





### 1. TARAPACA (GT & ST)

Units: 2  
Unit 1: Coal  
Unit 2: Oil and gas  
Installed capacity: 178 MW



### 2. ATACAMA (GT)

Units: 6  
Type: Oil and gas  
Installed capacity: 732 MW



### 3. TALTAL (GT)

Units: 2  
Type: Oil and gas  
Installed capacity: 240 MW



### 4. DIEGO DE ALMAGRO (GT)

Units: 1  
Type: Oil and gas  
Installed capacity: 24 MW



### 5. HUASCO (GT)

Units: 3  
Type: Gas  
Installed capacity: 64 MW



### 6. LOS MOLLES

Units: 2  
Type: Hydroelectric  
Installed capacity: 18 MW



### 7. CANELA AND CANELA II

Units: 51  
Type: Wind  
Installed capacity: 78 MW



### 8. SAN ISIDRO AND SAN ISIDRO 2 (CC)

Units: 4  
Type: Oil and gas  
Installed capacity: 767 MW



### 9. QUINTERO (GT)

Units: 2  
Type: Oil and gas  
Installed capacity: 257 MW



### 10. RAPEL

Units: 5  
Type: Hydroelectric  
Installed capacity: 376 MW



### 11. SAUZALITO

Units: 1  
Type: Hydroelectric  
Installed capacity: 12 MW



### 12. SAUZAL

Units: 3  
Type: Hydroelectric  
Installed capacity: 77 MW



### 13. BOCAMINA (ST)

Units: 2  
Type: Coal  
Installed capacity: 478 MW

ARICAY  
PARINACOTA  
TARAPACÁ

1

ANTOFAGASTA

2

3

ATACAMA

4

5

6

COQUIMBO

7

8

VALPARAÍSO

9

METROPOLITANA

10

11

LIBERTADOR  
GENERAL BERNARDO  
O'HIGGINS

14

12

DEL MAULE

15

BÍO-BÍO

13

16

LA ARAUCANÍA

LOS RÍOS

LOS LAGOS

## 14. MAULE POWER PLANTS



### ● CURILLINQUE

Units: 1  
Type: Hydroelectric  
Installed capacity: 89 MW



### ● LOMA ALTA

Units: 1  
Type: Hydroelectric  
Installed capacity: 40 MW



### ● PEHUENCHE

Units: 2  
Type: Hydroelectric  
Installed capacity: 568 MW



### ● OJOS DE AGUA

Units: 1  
Type: Hydroelectric  
Installed capacity: 9 MW



### ● CIPRESES

Units: 3  
Type: Hydroelectric  
Installed capacity: 106 MW



### ● ISLA

Units: 2  
Type: Hydroelectric  
Installed capacity: 70 MW

## 15. LAJA POWER STATIONS



### ● ANTUCO

Units: 2  
Type: Hydroelectric  
Installed capacity: 319 MW



### ● ABANICO

Units: 6  
Type: Hydroelectric  
Installed capacity: 136 MW



### ● EL TORO

Units: 4  
Type: Hydroelectric  
Installed capacity: 449 MW

## 16. BIOBIO POWER PLANTS



### ● RALCO

Units: 2  
Type: Hydroelectric  
Installed capacity: 689 MW



### ● PALMUCHO

Units: 1  
Type: Hydroelectric  
Installed capacity: 34 MW



### ● PANGUE

Units: 2  
Type: Hydroelectric  
Installed capacity: 466 MW



- (CC): Combined Cycle
  - (ST): Steam Turbine
  - (GT): Gas Turbine
  - Units: 105
- Installed capacity: 6,274 MW



# Governance structure

102-2 102-5 102-7 102-18 102-19 102-20 102-22 102-24  
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## Board of Directors of Enel Generación Chile<sup>1</sup>

### 1. CHAIRMAN

**Giuseppe Conti**  
 Attorney  
 Università degli Studi di Messina  
 Passport No. YA3320684  
 Since 4/27/2016

### 2. DIRECTOR

**Francesco Giorgianni**  
 Attorney  
 Università degli Studi di Roma La Sapienza  
 ID No. 24.852.388-3  
 Since 4/27/2016

### DIRECTOR

**Enrique Cibié Bluth**  
 Business Engineer, CPA  
 Pontificia Universidad Católica de Chile  
 Master in Business and Administration, Stanford University  
 ID No. 6.027.149-6  
 From 04/26/2012 to 4/24/2018

### DIRECTOR

**Jorge Atton Palma**  
 Electronics Engineer  
 Universidad Austral de Chile  
 Postgraduate Certificate in Administration and Projects, Universidad de Chile  
 ID No. 7.038.511-2  
 From 4/27/2015 to 11/29/2018

### 3. DIRECTOR

**Julio Pellegrini Vial**  
 Attorney  
 Pontificia Universidad Católica de Chile  
 LL.M., University of Chicago  
 ID No. 12.241.361-6  
 Since 4/27/2016

### 4. DIRECTOR

**María Soledad Arellano Schmidt**  
 Business Engineer  
 Business degree, major in Economics, Pontificia Universidad Católica de Chile  
 Master in Applied Economics, Pontificia Universidad Católica de Chile  
 Ph.D. in Economics, MIT  
 ID No. 10.745.775-5  
 Since 1/25/2019

### 5. DIRECTOR

**Hernán Cheyre**  
 Business Engineer  
 Pontificia Universidad Católica de Chile  
 Master in Economics, University of Chicago  
 Certificate in Public Finance and Economic Development  
 ID No. 6.375.408-0  
 Since 4/24/2018

### 6. DIRECTOR

**Fabrizio Barderi**  
 Electronics Engineer  
 Università di Pisa  
 Master in Economics and Management of Energy & Environment  
 Scuola Superiore Enrico Mattei  
 Passport No. YA7104825  
 Since 8/28/2017

### DIRECTOR

**Mauro Di Carlo**  
 Electrical Engineer  
 School of Engineering, Università degli Studi di Cassino  
 Passport No. YA4657363  
 From 4/27/2016 to 4/24/2018

### DIRECTOR

**Umberto Magrini**  
 Mechanical Engineer  
 Università di Genova  
 Executive MBA in European Utility Management  
 Jacobs University of Bremen  
 Passport No. YA5001646  
 From 4/27/2016 to 4/24/2018

### 7. DIRECTOR

**Luca Noviello**  
 Mechanical Engineer  
 Università degli Studi di Roma La Sapienza  
 Master in Economics and Energy Source Management  
 LUISS Business School  
 Italian Association of Energy Economists  
 Passport No. YA6877260  
 Since 4/27/2016

### 8. DIRECTOR

**Cristiano Bussi**  
 B.Sc., Chemical Engineering  
 Università di Pisa (Italy)  
 Passport No. YA2326668  
 Since 11/29/2018

### 9. DIRECTOR

**Antonio Scala**  
 Business Administration, Rome, Italy  
 Passport No. YA8230634  
 Since 4/27/2018

<sup>1</sup> The actual board members were elected at the Regular Shareholders Meetings held April 24, 2018 and January 25, 2019, except for Cristiano Bussi, who was elected November 29, 2018.

<https://www.enel.cl/es/conoce-enel/directorio-enel-generacion/cristiano-bussi.html>

# Board Diversity

405-1



By Gender	Enel Generación Chile
Women	0
Men	9
<b>Total</b>	<b>9</b>



By age	Enel Generación Chile
From 41 to 50 years of age	4
From 51 to 60 years of age	3
From 61 to 70 years of age	2
<b>Total</b>	<b>9</b>



By Nationality	Enel Generación Chile
Italian	6
Chilean	3
<b>Total</b>	<b>9</b>



By time in office	Enel Generación Chile
Less than 3 years	6
From 3 to 6 years	3
<b>Total</b>	<b>9</b>





**Chairman**  
Giuseppe Conti

**Divisions**

**Chief Executive Officer**  
Valter Moro

**Finance and Administration**  
Raúl Arteaga Errázuriz

**People and Organization**  
Luis Vergara Adamides

**Legal Department**  
Luis Ignacio Quiñones Sotomayor

**Planning and Control**  
Juan Candia Narvaez

**Regulation**  
Valter Moro (a.i. )

**Business Development**  
Valter Moro (a.i.)

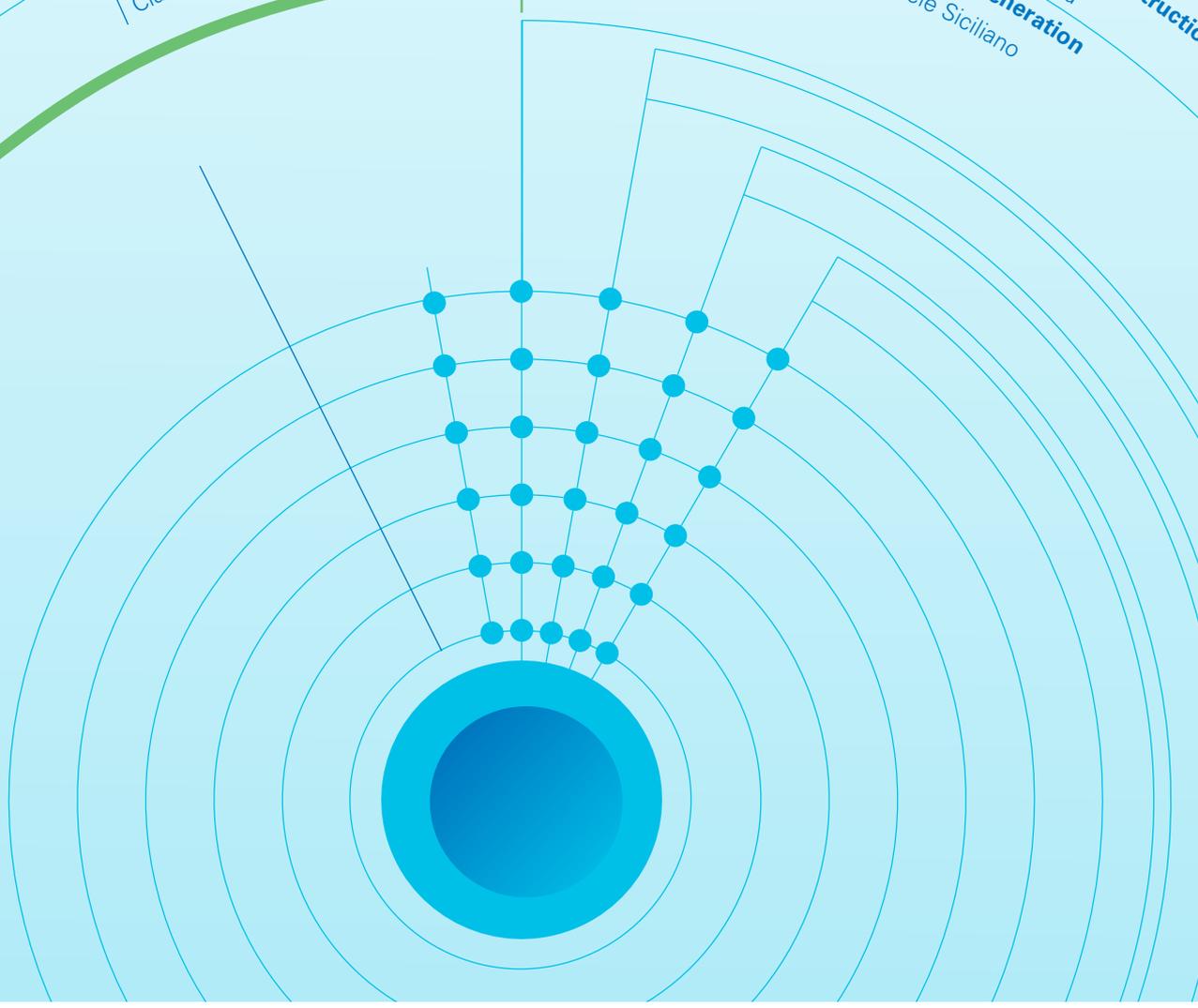
**Trading and Sales**  
Humberto Espejo Paluz

**Thermal Engineering and Construction**  
Claudio Ordenes Tirado

**Hydroelectric Generation**  
Carlo Carvallo Artigas

**Hydraulic Engineering and Construction**  
Bernardo Canales Fuenzalida

**Thermal Generation**  
Michele Siciliano



## Board and shareholder reporting procedures

- > **New Director Induction:** This is a procedure to communicate the mission, vision and strategic objectives of Enel Generación. Meetings are held with the Chairman of the Board and the different officers in the Company. As part of this induction, new directors receive copies of the Human Rights Policy, Sustainability Reports, Code of Ethics, Corruption Zero Tolerance Plan and the Diversity Policy.
- > **Ongoing Training:** Members of the Board receive ongoing instruction in regulatory and organizational changes and are kept apprised of any facts relevant to the Company. This gives them the tools to attain their objectives and strengthen the competencies relevant to their performance.
- > **Shareholder Reporting:** Shareholders receive information sufficiently in advance on the candidates for directorships, including their experience and professional profile as well as their relationship with the Company and the industry.



The Board of Directors is the highest body of corporate governance in Enel Generación Chile. It is composed by professionals who are experts in the electrical industry, responsible for drawing the road map of the Company, in line with the interests of the Enel Group. It also has the mission of delineating and approving the mission, corporate values, code of conduct, business strategy and risk management of the Company.

**The Board of Directors must ensure** that the Company's value increases in consistency with its short, medium and long term strategic plan, through a proper direction and correct decision making.

**The Board is comprised** of nine members, elected by the Regular Shareholders Meeting to hold office for three years. Board members can be reelected.

**The Board delegates the implementation of the corporate strategy** to the senior management, comprised of the chief executive officer and executives who ensure that the guidelines on social, environmental and economic matters are put into practice.

Senior management meets monthly with the Board and reports on the results of its management and on critical issues arisen in different areas. This allows the Board to identify, evaluate and resolve potential impacts or risks related to each of them. To enhance its functioning, an independent external expert annually evaluates the Board's performance in order to detect eventual opportunities of improvement.





# Sustainable business model

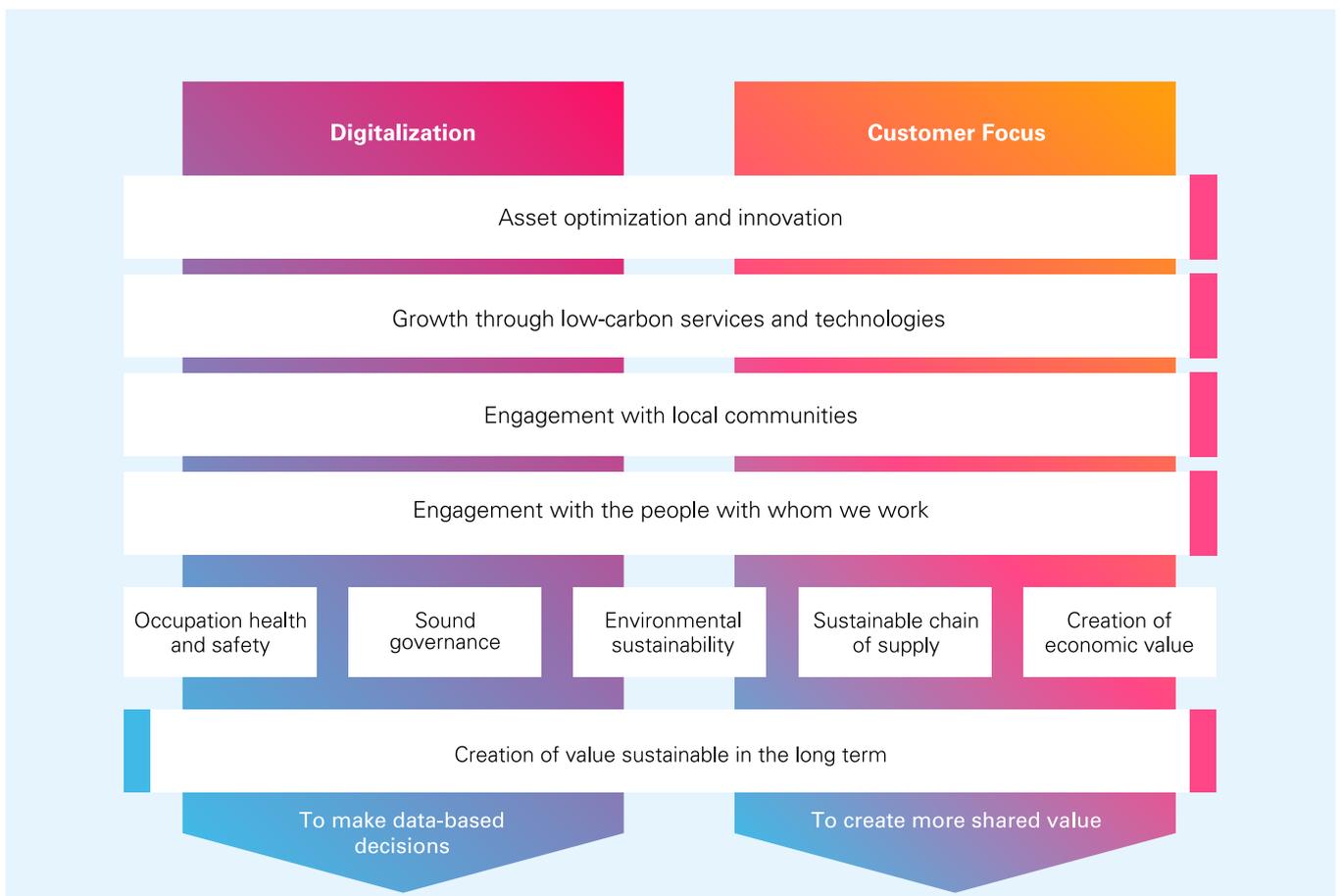
102-15

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**E**nel heads its industrial plans towards a sustainable business model with emphasis on the interrelationship between its different business lines and the outside world aiming at market solutions that create value for both the environment and society. The Enel model intends to create long-term value, considering the current acceleration of

cultural, social and economic changes. With the purpose of being a proactive player and to lead the energy industry, Enel recurs to innovation and collaborative partnerships, taking into account its stakeholders' priorities as an essential input for the identification of new business opportunities.

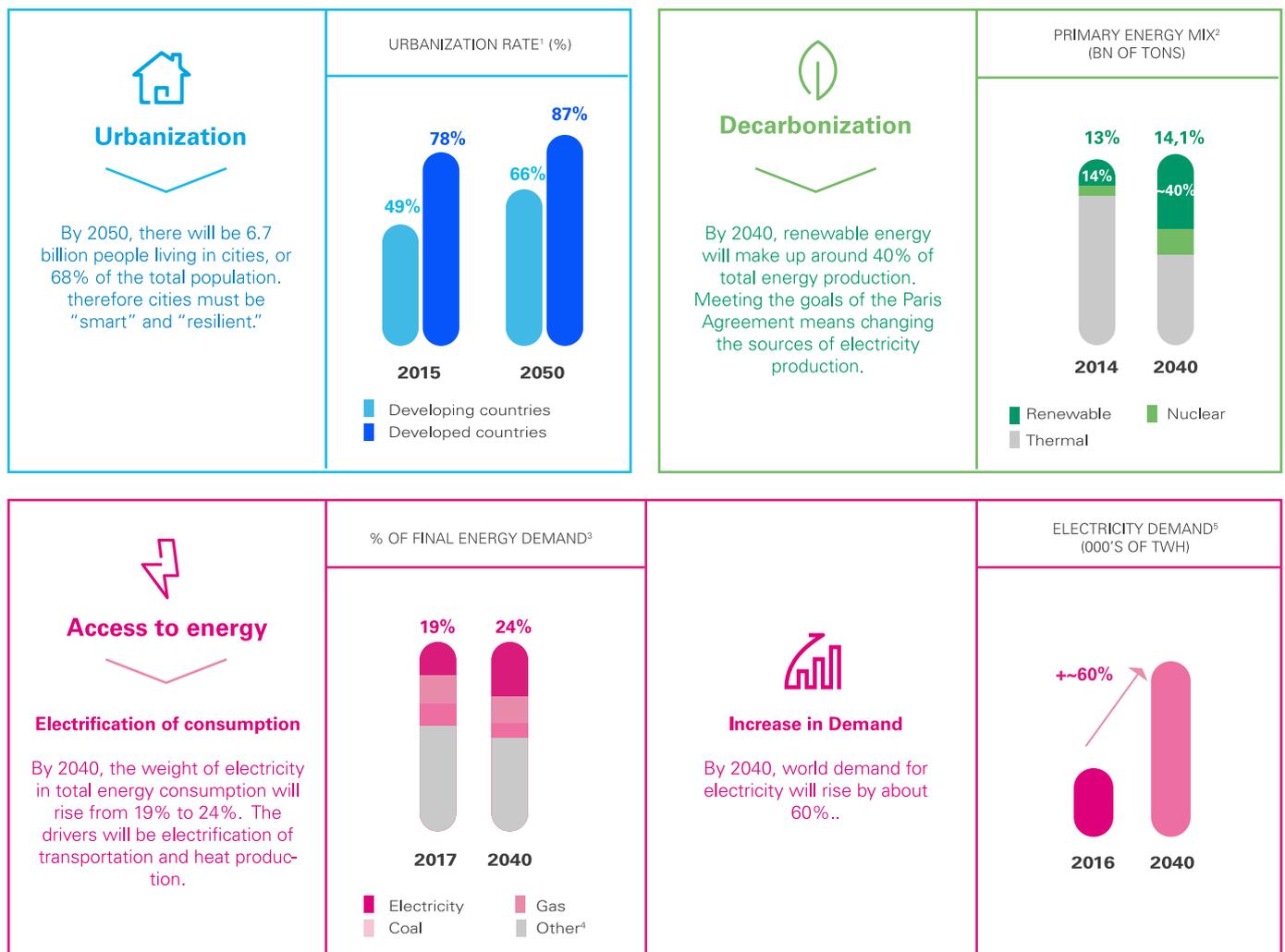
Enel Generación Chile's sustainability model integrates environmental, social and governance objectives with the goals defined in its industrial plan, seeking thus long term value creation.



The 2018-2020 sustainability plan is founded on 5 pillars which represent the fundamental principles of the integrated sustainable model: occupational health and safety, sound governance, environmental sustainability, a sustainable supply chain and the creation of economic and financial value. These pillars uphold

the strategic priorities of the Company (optimizing assets and innovation, growth through low-carbon services and technologies, engagement with local communities and engagement with its people. Both the pillars and strategic priorities are enabled by customer focus and digitalization. The plan guides the

management of Enel Generación Chile in facing the main global trends that are accelerating energy transition: decarbonization, urbanization, electrification of energy consumption and digitalization.



1. United Nations, World Urbanization Prospects, 2018 Revision.  
 2. IEA-IRENA Perspectives for the Energy Transition 2017.  
 3. IEA-WEA 2018 and IEA-IRENA 2018 – New Policies Scenario.  
 4. "Other" includes oil, heat, biomass and waste, and hydrogen.  
 5. Bloomberg New Energy Finance, New Energy Outlook 2017, June 2017





# Commitment to Human Rights

103-2

103-3

412-1



In 2011, the United Nations disclosed its “Guiding Principles on Business and Human Rights,” which

urges businesses to respect, protect and remediate their impacts on Human Rights within their areas of influence.

The Enel Group expressed its commitments to these principles in its Human Rights Policy, published in 2013. This policy is applicable in all countries where the Company operates. It broadened the existing commitments under the Code of Ethics, the Corruption Zero Tolerance Plan and the 231 Compliance Program.

The policy refers to other international conventions like the UN International Chart on Human Rights, the Conventions of the International Labor Organization (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, the UN Convention on the Rights of Child, and ILO’s Indigenous and Tribal Peoples Convention 169.

## Human Rights Policy

Enel’s [Human Rights Policy](#) addresses eight relevant principles and it is structured on two pillars:

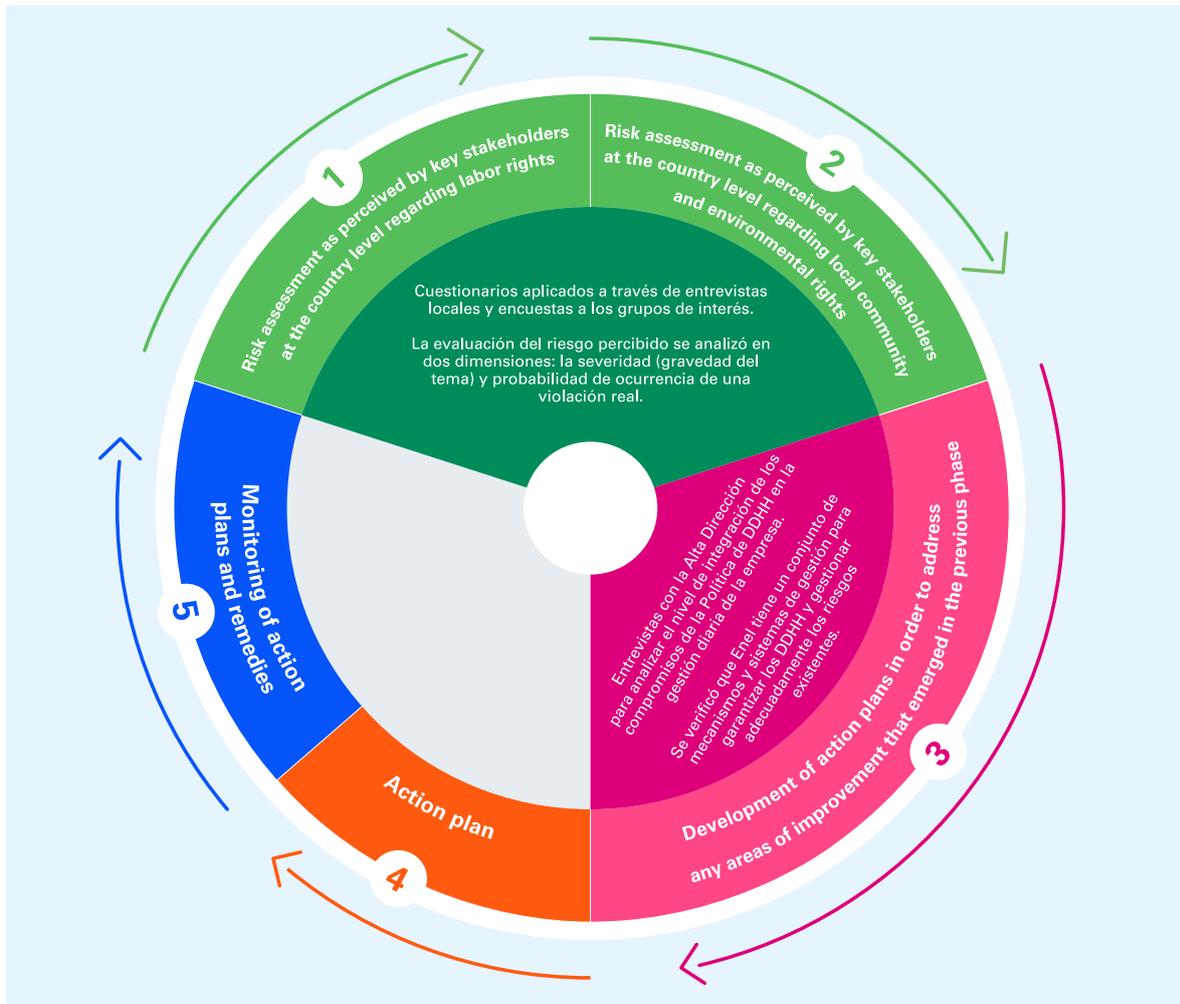
- 1) Work practices:** The policy forbids forced labor and child labor; it respects diversity and non-discrimination, the freedom of association and collective bargaining; occupational health and safety; and fair and good working conditions.
- 2) Community relations:** The policy stipulates respect for the rights of communities; zero tolerance for corruption; and a respect for privacy and communication.

The implementation of the principles is reinforced by community relations procedures that establish instructions and criteria for dialogues, negotiations and community task forces.

The policy applies both to internal and external collaborators of the Company, such as contractors and suppliers.

Any person, regardless of their position or relationship with the Company, may report a situation to the Internal Audit Division or through the Ethics Channel when he or she believes there is a violation of his or her fundamental rights under the Human Rights Policy principles.





## Human Rights Due Diligence

Since 2016, and in line with the UN directives and Enel's Human Rights Policy, Enel has been conducting a Human Rights due diligence throughout its value chain in order to identify potential risks of infringements on fundamental rights within the scope of its operations and to establish compensation mechanisms where indicated. The process uses tools developed at Group level and consists of 5 stages:

The results of the analysis were;

- > Corruption and environmental impacts were assessed as a "high-priority risk" that requires companies to implant advanced monitoring procedures.

- > Diversity, no child labor, the mitigation of impacts on local communities and the best practices in health and safety were assessed as "a risk to be controlled." In Chile, we must concentrate more on the impacts on local communities. The issue of health and safety is also vital.

In 2018, Enel designed an action plan to overcome the gaps identified in the process. It entails actions that incorporate the requirements as defined in the UN's Guiding Principles.

## Due Diligence in Chile

102-29

In parallel, in 2016, Enel Chile started locally a Human Rights due diligence in five of its operational sites. By the end of 2018, the due diligence had covered all of the generation and distribution operations and it will be repeated on a yearly basis.

The process was preceded by an induction to the Human Rights Policy to all employees in the 36 power plants.





## The method

Enel Generación Chile hired a consultant with vast experience in Sustainability and Human Rights to conduct the due diligence. The method involved on-site exploration, in-depth interviews and assessment of in Company information. It was complemented with an assessment of stakeholder perceptions, focus groups and interviews with community representatives, suppliers, contractors and other leaders that might contribute to the process.

The information was processed once it had been compiled and systematized. Situations that might create risks in the material processes in each operation were correlated in order to be able to design timely mitigation plans.

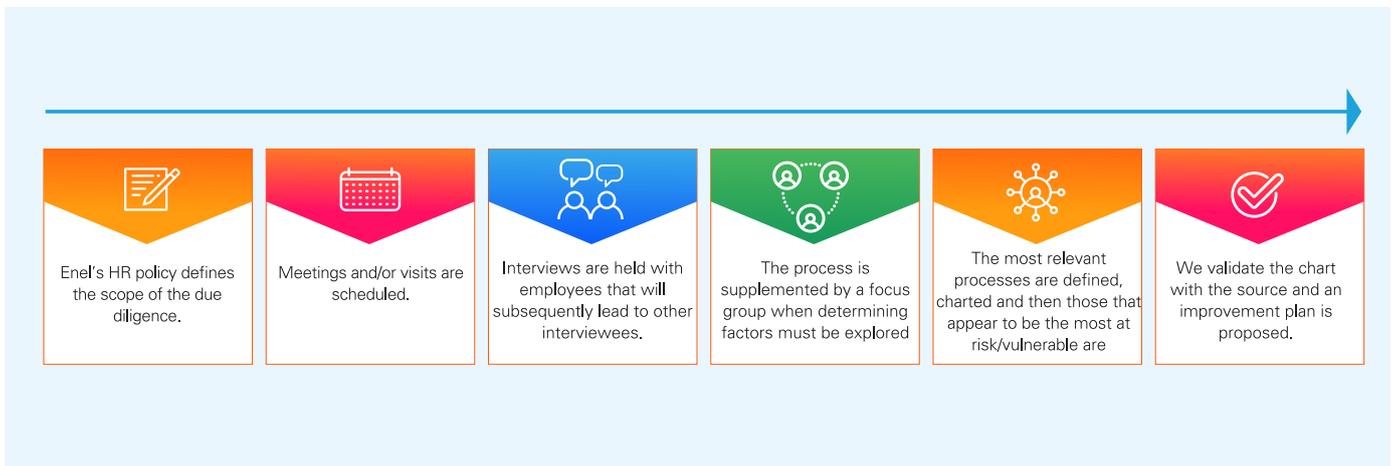
led by Acción Empresas, the Mining Council and the Generators Association of Chile. The purpose was to strengthen the capacity of companies to integrate Human Rights matters into their management.

## Involvement in outside forums

102-12

In 2018, in Chile Enel participated in the Human Rights-Extractive Industry Lab,

One of the tools was a self-assessment questionnaire that covered the following areas: Commitment through a policy, impact assessment and mitigation, communications and relations, dispute resolution and compensation.



The analysis emphasized two areas in Enel's Human Rights management in Chile:

- i. A transparent, participative procedure for risk and impact identification and assessment to ensure an effective prevention, mitigation and compensation.
- ii. The efficiency of dispute resolution alternatives for collaborators, communities and suppliers.

Apart from the self-assessment, two focus groups were held with the Company's collaborators, one at the Bocamina plant and the other in the Corporate Headquarters. Enel also participated in a multi-player task force attended by one representative from the Company's Union, one representative from suppliers and one from the community.

These activities were one of the inputs for the analysis of Enel Chile's progress in connection with Human Rights and created a benchmark with other lab participants.



# Integration of Sustainable Development Goals (SDG)



In 2015, the United Nations published the Sustainable Development Goals (SDG), inviting companies worldwide to undertake the great challenges presented by sustainable development, such as poverty, gender equality, access to clean water and energy and climate change. The same year, the Enel Group announced its commitment to four goals: SDG 4 on quality education, SDG 7 on clean and affordable energy, SDG 8 on decent work and economic growth, and SDG 13 on climate change action. By the end of 2018, the Group made a commitment to two additional goals: SDG 9 on industry, innovation and infrastructure, and SDG 11 on sustainable cities and communities.





4 QUALITY EDUCATION

### QUALITY EDUCATION

**ENEL GROUP 2030 GOAL**

Contribute to a quality education for 2.5 million people, starting in 2015.

**ENEL CHILE 2021 GOAL**

Increase the number of beneficiaries by 100,000 compared to 2015.

**ENEL GENERACIÓN 2018 PERFORMANCE**

4,700 beneficiaries of the educational programs developed in the year.



7 AFFORDABLE AND CLEAN ENERGY

### AFFORDABLE AND CLEAN ENERGY

**ENEL GROUP 2030 GOAL**

Promote clean and affordable energy for 10 million people, starting in 2015.

**ENEL CHILE 2021 GOAL**

Increase the number of beneficiaries by 75,000 compared to 2015.

**ENEL GENERACIÓN 2018 PERFORMANCE**

5,800 beneficiaries of energy-access initiatives.



8 DECENT WORK AND ECONOMIC GROWTH

### DECENT WORK AND ECONOMIC GROWTH

**ENEL GROUP 2030 GOAL**

Foster an inclusive economic growth and decent jobs for 8 million people, starting in 2015.

**ENEL CHILE 2021 GOAL**

Increase the number of beneficiaries by 150,000 compared to 2016.

**ENEL GENERACIÓN 2018 PERFORMANCE**

28,200 beneficiaries in the year.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES

### INDUSTRY, INNOVATION AND INFRASTRUCTURE

### SUSTAINABLE CITIES AND COMMUNITIES

**ENEL GROUP 2030 GOAL**

Infrastructure and innovation: The installation of 46.9 million smart meters and 455,000 charge points, and the investment of 5.4 million euros in digitalization from 2019-2021.



13 CLIMATE ACTION

### CLIMATE ACTION

**ENEL GROUP 2030 GOAL**

Reduce specific CO2 emissions by limiting the Group's emissions to 230 g of Co2-equivalent per kWh.

## A QUICK LOOK AT 2018



**1,521,054**

OPERATING INCOME OF  
(MILLIONS OF PESOS)



**582,250**

EBITDA OF (MILLIONS OF PESOS)



**767**

EMPLOYEES



**111**

GENERATING UNITS



**6,274**

AN INSTALLED CAPACITY OF (MW)



**17,373**

ELECTRICITY GENERATED (GWH)



**23,343**

ENERGY SALES TOTALING (GWh)





# 2018 Milestones



## JANUARY

### Continuous emissions monitoring system

The Superintendency for Environment made relevant progress in the continuous monitoring of emissions by setting off a pilot project that enables the authority to count with real-time data on the emissions from thermal power plants. This initiative began to operate at Bocamina, and Enel Generación Chile took up the challenge of being the first energy generator to implement this system in the country.



## FEBRUARY

### Women from Coronel travel to Italy to share their experiences in bioconstruction

Four women from the area of Cerro Obligado in Coronel were invited to present their experience in eco-construction at an International event of the Enel Group in Italy. The craftswomen, trained in eco-construction, nowadays have their own workshop, where they manufacture products using pallets and wood provided by Enel and other local industries. Letty Núñez, Claudia and Lorena Sandoval, and Elba Gutiérrez, told their stories and how their desire to contribute to the community motivated them to start a new sustainable entrepreneurship. The Eco-Furniture project is an initiative from Enel Generación in collaboration with the NGO Sembra.



## MARCH

### Students from Calama and the innovation formula

Three students from Kamac Mayu Primary School, Calama, won the Play Energy Chile 2017 reward, an initiative from Enel Chile to promote knowledge of the world of energy. As a reward they were invited to the Formula E that took place in Punta del Este, Uruguay.



## APRIL

### Bocamina has one of the lowest mercury concentration ratios in the world

Bocamina thermal power plant, located in Coronel, uses coal for its energy generation. The type of coal used possesses a high efficiency rate and its composition does not present relevant concentrations of mercury. Enel Generación Chile runs biannual mercury tests in the chimneys of both units at the plant. Mercury values are 100 times lower than the maximum accepted by international standards regarding coal plants. Regulations require 0,1 mg/Nm<sup>3</sup> (milligrams per normal cubic metre), while emissions at Bocamina reach 0,0016 mg/Nm<sup>3</sup>.



## MAY

### Enel Generación Chile and RES Chile signed an electric power supply agreement for a set of commercial buildings

Enel Generación Chile and RES Chile (Real Estate Services Chile), an expert in building management and commercial property brokering, signed a power supply agreement for 20 office buildings in the Metropolitan Region. The agreement stipulates a block power supply of 40 GWh annually. These properties became free clients in April 2018 thus taking advantage of the new alternatives allowed by the electricity law, which provides the opportunity to negotiate power supply directly with generating companies.

### Fitch Ratings confirms its rating of Enel Generación Chile

Fitch Ratings ratified the international rating of "BBB+" for Enel Generación Chile, with a stable outlook, highlighting its sound business position and commercial strategy, asset diversification and financial matrix. The outlook was improved from stable to positive in February 2019, but the rating remained at BBB+.



**Coronel Organizations present a community environmental recovery program**

The so called "Programme for the Environmental Recovery of Coronel", establishes a clear road map, with concrete proposals to resolve environmental issues affecting neighboring communities of Bocamina. The document was elaborated by more than 40 organisations integrating the Recovery Council which includes public officers, community representatives and the business sector. For almost three years, Enel Generación Chile actively participated in the process, providing files related to the productive process of both Bocamina units, its proposed and executed environmental improvements, and its community projects.



**Second stage of the water management program in San Clemente and San Rafael**

To Enel Generación Chile, collaborative actions to combat climate change and joint efforts to conserve and protect natural resources is a priority. Therefore, and in an alliance with the Research and Extension Centre for Irrigation and Agroclimatology -CITRA- from the University of Talca, the Company began a collaborative process for water conservation with Entre Ríos Farming High School, the communes of San Clemente and San Rafael, as well as all water communities. During 2018 they started the second stage of the water management plan, benefiting directly 250 farmers as well as agricultural professionals, young farmers and Agronomy students from the commune of San Clemente by improving the use of water.

**Standard & Poor's confirmed Enel Generación Chile's rating of "BBB+"**

The agency ratified the international rating of "BBB+" for Enel Generación Chile, with a stable outlook.



**JUNE Third consecutive year of gas exports to Argentina**

A new operation to export natural gas from Chile to Argentina took place, after signing a framework agreement between both countries to establish the general supply conditions during winter for the next three years. Deliveries will be supplied by Enap, Enel Generación Chile and Aproveisionadora Global de Energía S.A. (AGESA, from CGE), and will be sent using the Electrogas and GasAndes pipelines. The latter connects the Metropolitan Region in Chile with the Province of Mendoza in Argentina through a 450 Km pipeline which crosses the Andes mountains.



**Construction of the second Bocamina dome**

The southern dome of the Bocamina plant can store up to 140 thousand tons of coal. The megastructure was added to the northern dome, built in 2017. From an engineering perspective its construction presents a milestone at national and regional level since it was built in a record of time and without any work accidents.

**Moody's raised Enel Generación Chile's rating to "Baa1"**

Moody's raised the international rating of Enel Generación Chile to "Baa1," with a stable outlook. It emphasized the sound financial position of the Company, its leadership and generation on the Chilean market, and its efficient, diversified generation matrix.



**Feller Rate ratified Enel Generación Chile's rating**

Feller Rate confirmed the local rating of "AA" for Enel Generación Chile, with a stable outlook.





### JULY

**Enel's new reality in the Upper Biobío**  
 In July, 17 people from the El Avellano community, located at the heart of Alto Biobío, reached a milestone in the local economic and social development. These entrepreneurs were the first members of Cooperativa Agrícola El Avellano, a farming entity created to run a community project involving the processing and elaboration of products derived from Chilean hazelnuts. Since 2015, Enel Generación strengthened its collaboration with the ten surrounding communities, namely of Santa Bárbara, Alto Biobío and Lonquimay. The latter involve a total population of proximately 3.200 persons.



### AUGUST

**The Huinay Foundation held its first native species reforestation day at the Hornopirén School**  
 The institution, founded by Enel Generación Chile and Pontifical Catholic University of Valparaíso, donated and planted native trees at the Sagrada Familia School, in order to strengthen its relationship with the local communities and create consciousness about the importance of biodiversity conservation.



### SEPTEMBER

**Coronel entrepreneurs receive funding**  
 Enel Generación granted the Energy and Innovation Competitive Funds for Your Enterprise to several projects, aimed at the recovering of the heritage of Coronel. They related to algae harvesting and processing, production of miner's bread, dried and smoked fish, artisanal fishing, local tourism amongst other. The initiative was launched in association with the Association for Sustainable Self-development in Communities, Sembra. In 2018 it issued two invitations to participate, the first one intended to boost initiatives associated to new technologies, innovation, the environment and heritage, the second aimed at initiatives related to the recovery of local traditions, that strengthen Coronel's heritage and history. Thirty two initiatives were awarded funds for a total amount of \$200 million Chilean pesos.



**Prominent participation of regions in the 2018 Enel Cup**  
 More than 150 teams from the country's three regions participated in the three-month tournament "Copa Enel". The latter has become the most relevant school tournament in Chile. Iván Zamorano, former captain of the Chilean national soccer team, has been the Cup's ambassador since it began. This year, a women's team from the Catholic University of Concepción participated and won second place. For the first time in the Cup's 17 years, a regional team made it to the finals, resulting second and awarded with a trip to Brazil.



### OCTOBER

**Enel Generación Chile receives the Recyclápolis National Environmental Award 2018**  
 The Recyclápolis Foundation granted Enel Generación Chile the 2018 National Environmental Award for the implementation of its agricultural water management program in the Maule basin. The project demonstrates that the use of efficient irrigation techniques can save up to 40% of water consumption, improving at the time agricultural production. It started in 2015, promoting the use of irrigation optimization technologies by local farmers and water communities. This fifth version of the Recyclápolis Award rewards initiatives that stimulate new sustainable trends, and recognizes companies, institutions and individuals that are committed with environmental innovation and develop efficiency-improvement projects.



### The Gran Fondo Fin del Mundo cycling race in the Maule Region

On October 20th, the fifth version of the Gran Fondo Fin del Mundo cycling race was held. More than 450 national and foreign athletes competed in the 115 km and 153 km categories, cycling from Colbún to San Clemente. The route reached 2,160 meters above sea level, ending at the Maule dam in the midst of the Andes.



### NOVEMBER

#### Paposo illuminates local areas with an Enel programme in collaboration with NGO Litro de Luz

In November, Caleta Paposo, in the Antofagasta Region, received the first beams of light coming from recently installed light posts in the area. These were the first sustainable posts made by the community itself, in a joint project with Enel Generación Chile and Litro de Luz. The initiative illuminates sectors that until then lacked public lightning.

#### Pehuenche tourism in the Upper Biobío

Close to six thousand tourists venture every season to the landscapes, culture and history offered by the El Barco Lagoon Campground located 70 kilometers from Villa Ralco, in the upper zone of the Biobío River basin. The campground was established more than 15 years ago, and visitors can enjoy nature and the attractions offered by the Ralco hydroelectric power plant reservoir. The El Barco community manages and administers the campground and has designed a plan, in collaboration and with the support of Enel Generación Chile, to improve its facilities in the aim of providing better quality services. Approximately six thousand tourists travel every season to enjoy the landscapes, culture and history of Camping Laguna El Barco, located 70 km from Villa Ralco, in the Biobío basin. More than fifteen years after its creation, the camping offers visitors the opportunity to connect with nature and enjoy the reservoir of the Ralco hydroelectric plant. The community at El Barco is in charge of its administration. In collaboration with Enel Generación it develops an improvement program for the camping facilities and the upgrade of its service offering.



### DECEMBER

#### Superintendencia for Environment (SMA) and Enel Generación launch second stage of the continuous emissions monitoring system

Enel Generación Chile successfully connected its continuous emissions monitoring system in Bocamina II to the SMA. The system's purpose is to provide online real time raw data registered by the equipment. This way Enel Generación, on a voluntary basis, replicated its former implementation in Bocamina I, being the first power generating Company to connect such system in Chile, going thus beyond legal requirements. The system originally was launched in January 2018, in presence of the environmental authorities.



#### Public-private alliance allows to plant more than 90 thousand trees in Quillota

"Quillota respira frente al cambio climático," is a project of joint efforts between the Municipality of Quillota, Enel Generación Chile and DuocUC. It considers the plantation of 93 thousand species of native and exotic trees in the urban and semi-urban zones of the city.

Communities of Coronel paint the largest mural in Chile on the façade of Bocamina.

Coronel local communities chose a pallet of blue, green, orange and red as main colors for the mural painted on the facade of the Bocamina power plant. A gray cement canvas measuring 2,800 square meters is being transformed by lights and colors associated with the history and culture of this mining community. The mural is part of the Company's community commitment to embellish the sector. Enel Generación Chile set up 12 focus groups that included children from age 7 to adults above age 80, to decide on the subject matters and content of the mural.



#### ISO 37001 Certification in Anti-bribery Management Systems

Enel Generación Chile implemented the ISO37001 standard for anti-bribery management systems, aligned with best international practices. This way it ratifies Enel Chile's and its subsidiaries' commitment towards transparency. An external certifier audited the system during the last quarter of the year and the recommendation to certify was issued in December 2018.





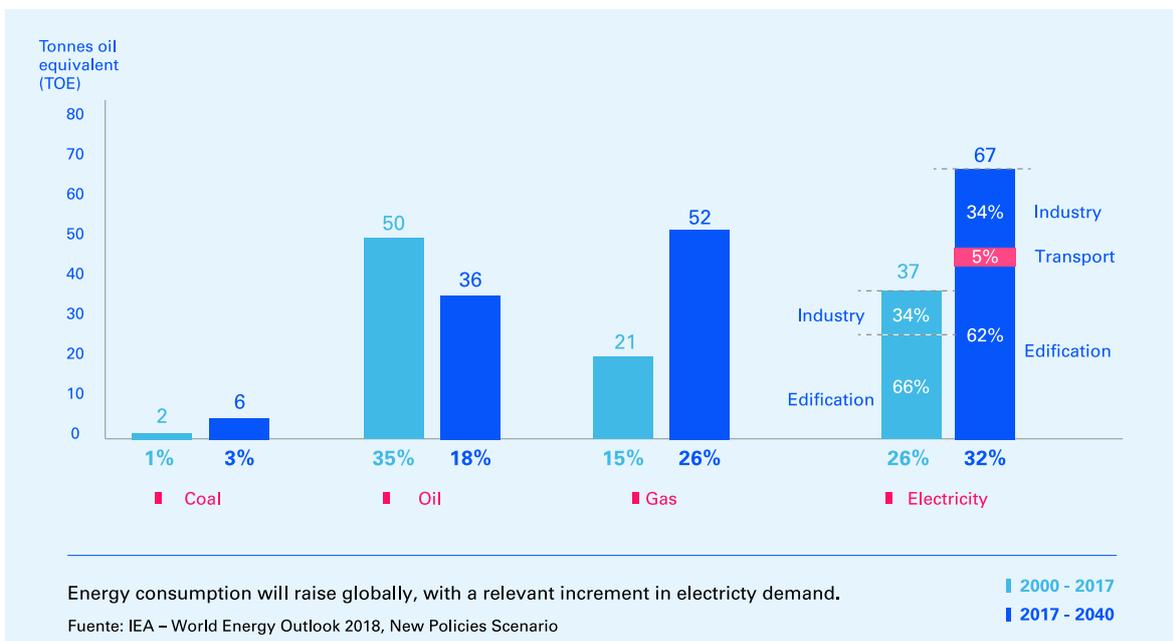
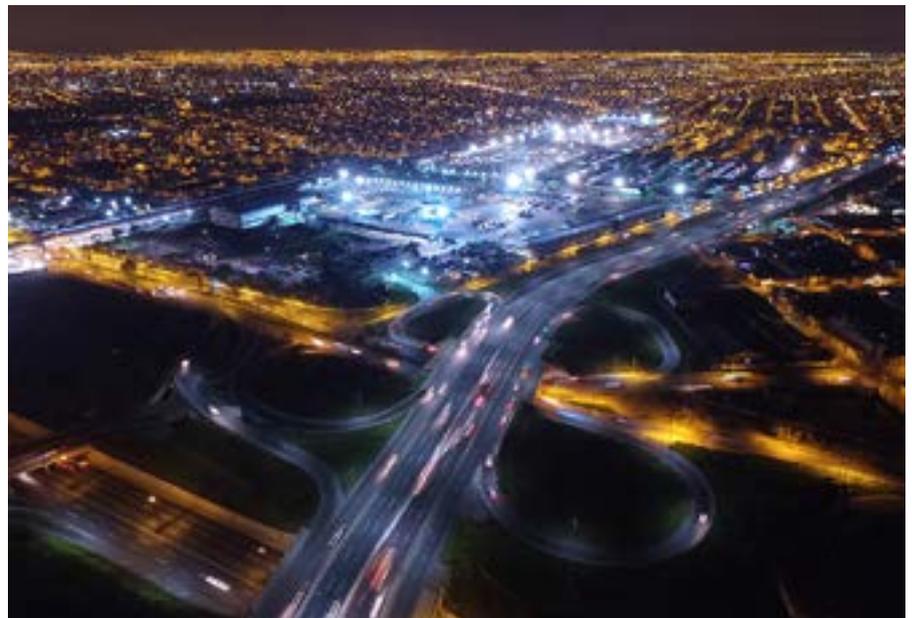
# Sustainability context and the energy industry

102-12 102-15

Demographic growth and urbanization are creating a lasting change in the life habits of society. It is estimated that by 2050, close to 68%<sup>2</sup> of the world population will live in urban areas. This poses new challenges, such as urban planning and management to create cities that are safer, more inclusive, resilient and sustainable. The National Survey on the Environment<sup>3</sup>, published by the Ministry of the Environment, demonstrates that lately there has been more consciousness and concern for socio-environmental issues, triggering essential changes in society. This new reality has caused the appearance of models that revolutionize the way in which people satisfy their needs, whether in transportation, housing, energy or finance. The role of the energy sector is key to urban transformation and the challenge rests on being capable of handling these changes to help develop sustainable cities.

According to the World Energy Outlook 2018, the electric energy consumption in Latin America will increase by 67 million tons of oil-equivalent in the period 2017–2040, an 81% increase compared to the consumption recorded in the pe-

riod 2000-2017. 62% of this expected rise in consumption will come from buildings (compared to 66% in the previous period); 33% from industry (compared to 34% for the previous period); and 5% from transportation.



<sup>2</sup> United Nations, World Urbanization Prospects, 2018 Revision.

<sup>3</sup> 2018 National Environmental Survey of the Social Studies Office (DESUC) of the Institute of Sociology of the Catholic University (ISUC)

The increase in greenhouse gas emissions, which have reached unprecedented levels, and the growing scarcity of natural resources are significantly affecting the society and the economy. The contribution of the energy industry is key to achieve the objectives and commitments from the Paris Agreement Paris4, celebrated during COP 21. The challenge for the Company is to lead the technol-

ogy change, adding environmental and social sustainability criteria in the development of its products and services.

Social progress made during the past thirty years is undeniable. The human development report prepared by the United Nations Development Program (UNDP)4 shows an increase of nearly 20% in the Human Capital Index between 1990

and 2017. However, inequality and inclusion continue to be the main challenges humanity faces. To prosper, the world requires redirecting the relationships between civil society, governments and businesses. The UN's Sustainable Development Goals (SDG) set 17 global challenges, goals to overcome them, and provide the guidelines for collaboration between the different stakeholders.



4 [https://unfccc.int/sites/default/files/spanish\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/spanish_paris_agreement.pdf)

5 United Nations Development Programme (UNDP), Human Development Indices and Indicators: 2018 Statistical Update.





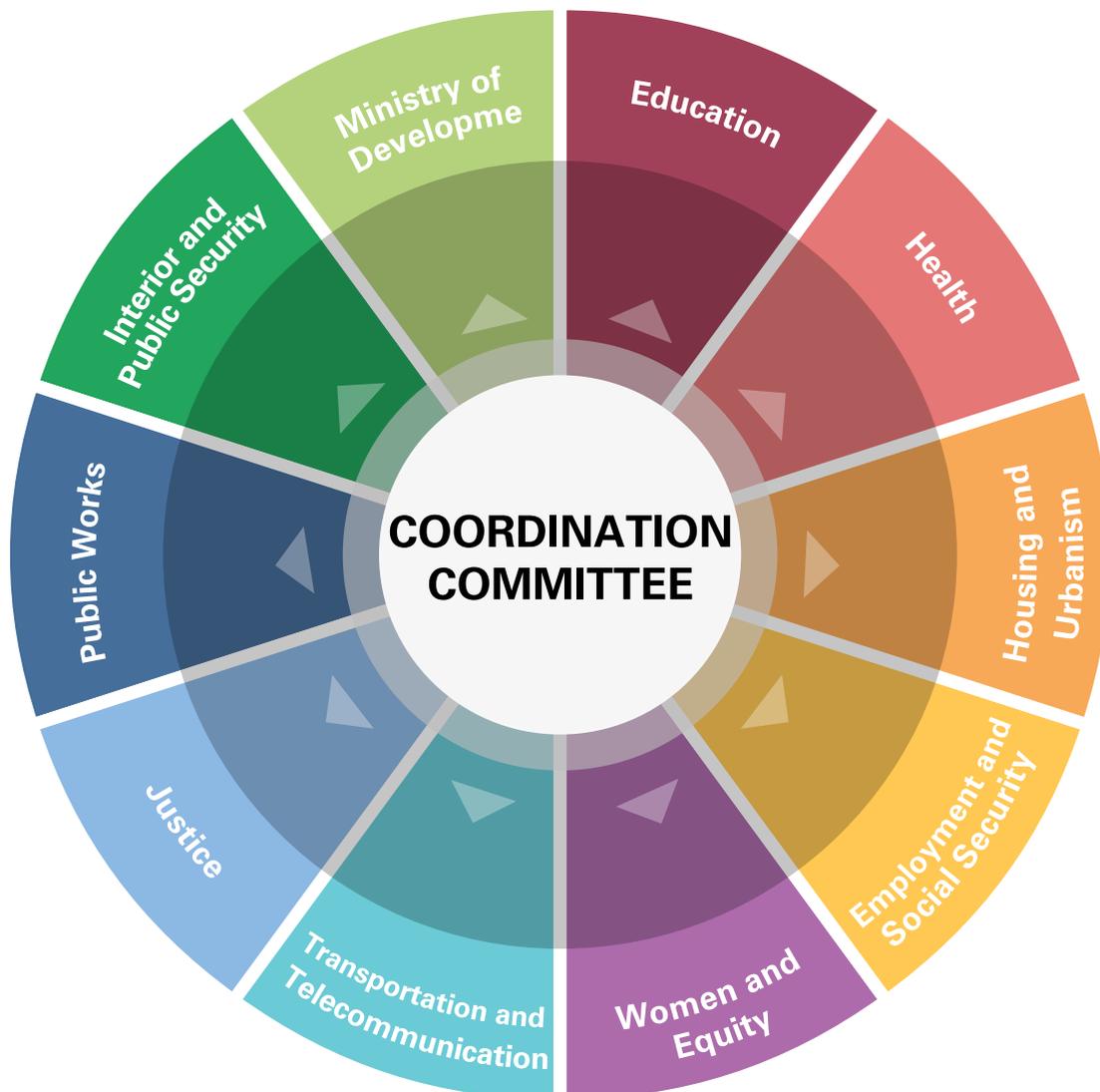
## The Context in Chile

Macro-trends are present everywhere in the world, but locally they take on different shapes and directions based on the decisions and strategies adopted by each country. In Chile, some issues like poverty, regional inequality and the energy transition have overtaken the public agenda and are the force behind new initiatives in this area.

## Country Commitment (Compromiso País)<sup>6</sup>

In order to achieve sustainable development, it is necessary to create equal opportunities for all Chileans. However, 20% of the population currently lives in multidimensional poverty conditions, including aspects like education, health, social security, housing, and the environment.

The Ministry of Social Development prepared a Vulnerability Map that identified and prioritized 16 at-risk groups. The purpose of the document is to seek, in conjunction with these groups, solutions to their basic needs, involving at the time the collaboration of the public sector, academia, civil society and the private sector.



<sup>6</sup> <http://www.compromisopais.cl/>

## Regional Inequality in Chile – PNUD<sup>7</sup>

At national level, one of the essential obstacles to the fulfilment of the 2030 agenda for Sustainable Development<sup>8</sup> relates to regional inequalities. National Commitment analyses three priority aspects, namely income, health, and education.

Although there was some progress in terms of coverage of energy and utility services in the last decades, several interregional gaps remain, such as low wages (related to economic vulnerability of households); access to sanitary resources (human and infrastructure); and gaps in the quality of education, to name a few.

Territorial inequalities are related to other variables such as gender and ethnicity. Regionally, low salaries are more prevalent among women, with the gap widening in regions with a higher concentration of income. Moreover, indigenous peoples are more poverty-stricken and receive a borderline education. Due to the concentration of this population in certain regions of the country, these lacks become markedly territorial.

Because of all of these reasons, National Commitment objectives include increasing access to health services, improving the quality and variety of regional educational offer and strengthening public investment.

## Energy Poverty: An analysis of international experience and lessons for Chile - PNUD<sup>9</sup>

Energy poverty is one of the major challenges of the global energy agenda since access to safe and continuous energy dictates human development, both socially and economically. Until today,

Energy poverty:



1. Does not refer only to access to electricity, but rather it depends on the availability of a source of energy (by connection to systems or direct generation).	2. Qualitative attributes like quality, safety and continuity largely define the level of energy poverty.
3. Electricity and gas rates or the technology required to generate electricity or produce gas set the limits on their use and availability.	4. The phenomenon directly involves the level of income since energy is an important part of family spending and budgets.
5. It is linked to the inhabitability of homes and buildings where people reside. That inhabitability is impacted by the quality of those homes and buildings, the energy efficiency of the materials used, the construction, ventilation, fixtures and the standards that regulate them.	6. People, meaning energy consumers and users, play an important role in defining how energy is used. These definitions depend on their understanding and education and on their awareness of the effects that each has.
7. It impacts the health of individuals, in particular women and children.	8. It impacts the environment and affects air quality, depletes resources and degrades the environment.

there is no consensus on the meaning of energy poverty, for which a clear definition is essential in order to measure and address the problem properly.

In its National Energy Policy 2050, Chile established guidelines defining the concept of energy poverty and generate a way to measure it in order to establish policies to address its reduction.

It decided that energy poverty is a multidimensional phenomenon that encompasses several aspects.

7 UNDP (2018). Regional Inequality in Chile. Income, health and education from a territorial perspective. Santiago, Chile, United Nations Development Programme.

8 <http://www.chileagenda2030.gob.cl/agenda-2030/sobre-la-agenda>

9 UNDP (2018): Energy poverty: an analysis of international experience and lessons for Chile. Santiago, Chile, United Nations Development Programme





# 2018-2022 Energy Roadmap

A strategic, long-term view is relevant for an energy sector going through a transformation process, essential for sustainable development in Chile.

The Energy Route10, published by the Ministry of Energy, aims to define the path and priorities in the matter, including participation and dialogue with different stakeholders throughout the country. This tool establishes clear objectives, concrete actions and goals that shape the navigational chart for the following years. Some of the most important challenges are the amendment of the Electric Distribution Law, the promotion of self-generation, e-mobility and citizen participation in energy projects.

There are ten commitments in the Energy Route:

## CHILEAN MINISTRY OF ENERGY'S 10 UNDERTAKINGS

- |   |  |
|---|--|
| 1. Preparation of a map of the country's energy vulnerability, identifying families that do not have electricity and other energy services, with a view to narrowing the gaps that exist.   | 6. Modernization of the regulation of electricity distribution through a participatory process in order to capture the new realities of the energy sector and facilitate their implementation in an efficient and competitive manner.  |
| 2. Modernization of the energy institutional framework in order to increase government effectiveness and provide citizens with a better service, including particularly the Superintendency of Electricity and Fuels and the Chilean Nuclear Energy Commission. | 7. Modernization of the regulation of electricity distribution through a participatory process in order to capture the new realities of the energy sector and facilitate their implementation in an efficient and competitive manner.  |
| 3. 25% reduction in the time required to obtain an environmental permit for projects developed under the Plan + Energy, as compared to the time taken over the past four years. Nuclear Energy Commission.  | 8. Establishment of a regulatory framework for energy efficiency that provides the necessary incentives to promote the efficient use of energy in sectors with the highest consumption (manufacturing, mining, transport and building) and to create a true energy culture in the country. |
| 4. A fourfold increase in the current capacity of renewable small-scale distributed generation (less than 300 kW) by 2022.  | 9. Launch of the process of decarbonization of the energy matrix by drawing up a calendar for the withdrawal or reconversion of coal-fired plants and introducing concrete measures as regards electromobility.  |
| 5. At least a tenfold increase in the number of electric vehicles in use in Chile.  | 10. Training of 6,000 operators, technicians and professionals, developing skills for the management and sustainable use of energy in the electricity, fuel and renewable energy sectors, and the certification of at least 3,000.   |



# Setting priorities

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## Materiality Analysis

This report considers the relevance of the material aspects defined by Enel and its stakeholders according to the standard guidelines of the Global Reporting Initiative for the elaboration of sustainability reports.

In the course of the first semester of each year, the Enel Group compiles data on a global scale using an online platform specifically designed to store and analyze information by country and company. This preliminary analysis is complemented during the second semester with the prioritization given by the stakeholders to the different issues and subtopics within the strategy of the Company.

Primary and secondary information sources, including interviews and press analyses, are used in order to achieve this part of the process.

## Identifying priority matters:

102-21

To better integrate the expectations of the interest groups in a structured manner, aligned with the objective of the Company, Enel Chile runs an annual identification process for priority issues, assessing and selecting economic, ethical, environmental and social issues relevant for the stakeholders and that are part of the strategic priorities of the Company.

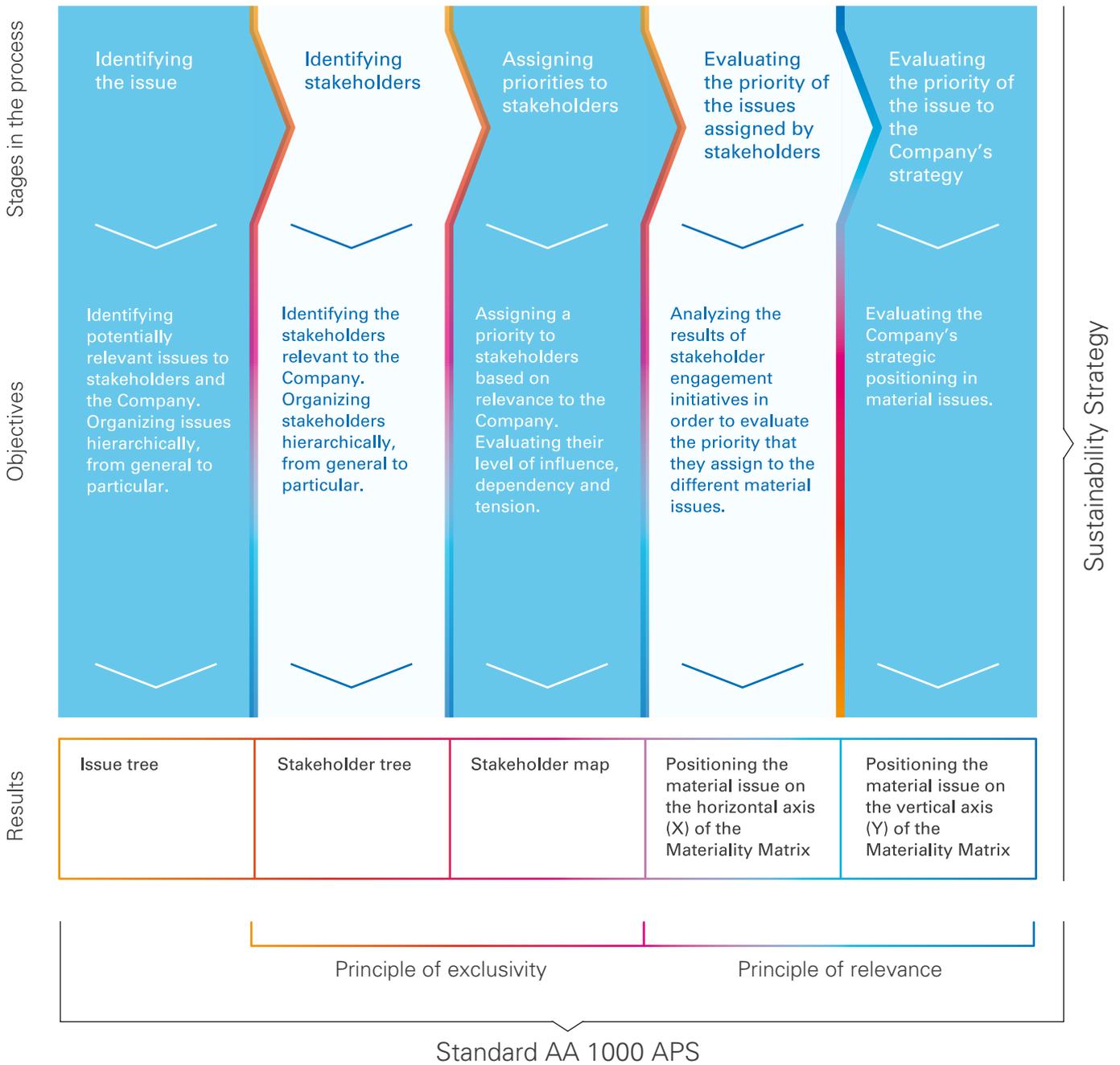
Results from this process improve the strategic business plan and the design of the sustainability plan of the Company. Likewise, the identification process defines the contents of the Sustainability Report and contributes to an effective management of the interest groups and their expectations.

To execute the process, the Company and its subsidiaries implement the methodology developed by the Enel Group for all of its companies, in accordance with the international standard AA 1000 APS. The purpose of this standard is to guide the organization in the strategic management of the interaction with its interest groups, through the fulfilment of a group of principles, and their correct identification (Principle of Inclusiveness), the prioritization of matters deserving attention from the Company (Principle of Relevance) and response design (Principle of Responsiveness) to the expectations that create more value for the Company and the community to which it offers its services.





# Identification of priority issues





## Engaging Stakeholders:

Knowing the expectations of the interest groups is a cornerstone of the sustainability strategy at Enel Generación Chile. The focus on stakeholders' expectations aims mainly at identifying drivers that will make viable energy models sustainable, competitive and safe, developing at the time innovating, comprehensive and pioneering perspectives to foresee events, manage risks and seek for differentiation.

The commitment of the Company to keep a continuous dialogue with its stakeholders is a fundamental element to generate spaces for collaboration, development, and trust. To summarise all of the above, Enel considers that a proper management of and dialogue with its stakeholders are helpful to:

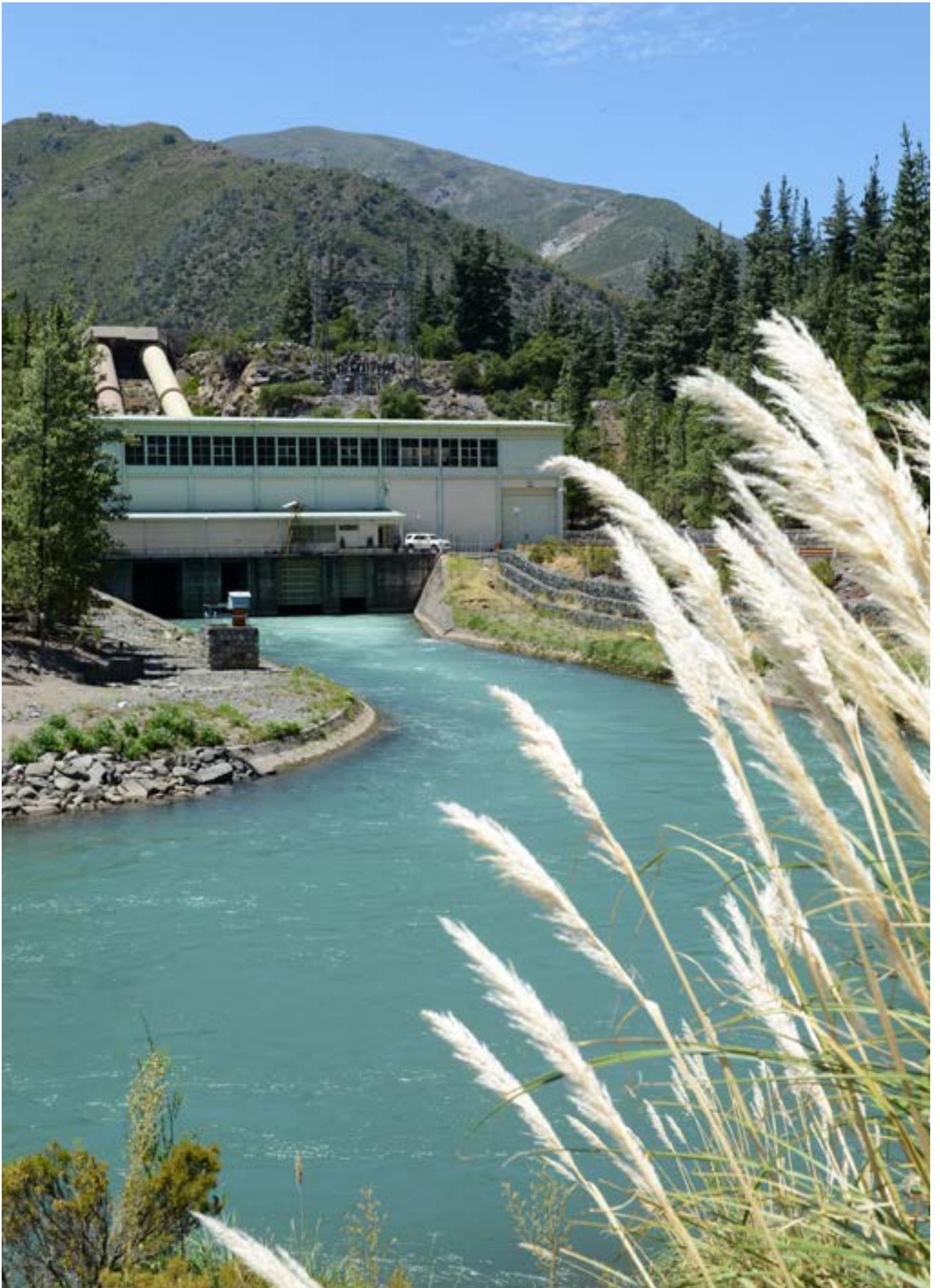
1. Improve the management of risks and opportunities.
2. Identify early on material trends and issues.
3. Strengthen credibility and confidence, which will lead to synergies.
4. Encourage decision-making.
5. Bring to light improvement and business opportunities.

Company managers, according to their functions, are responsible for the constant management of their corresponding interest groups.

## Identifying Stakeholders:

On a regular basis, Enel checks, identifies and maps its interest groups at the national and local levels. The map is updated annually according to the current reality of the Company.





# Prioritizing stakeholders:

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Through active participation from different business and corporate units from the Company during 2018, stakeholders were prioritized according to the relevance they hold for the Company. With this purpose, two criteria were used:

1. Dependency: Groups or individuals that directly or indirectly de-

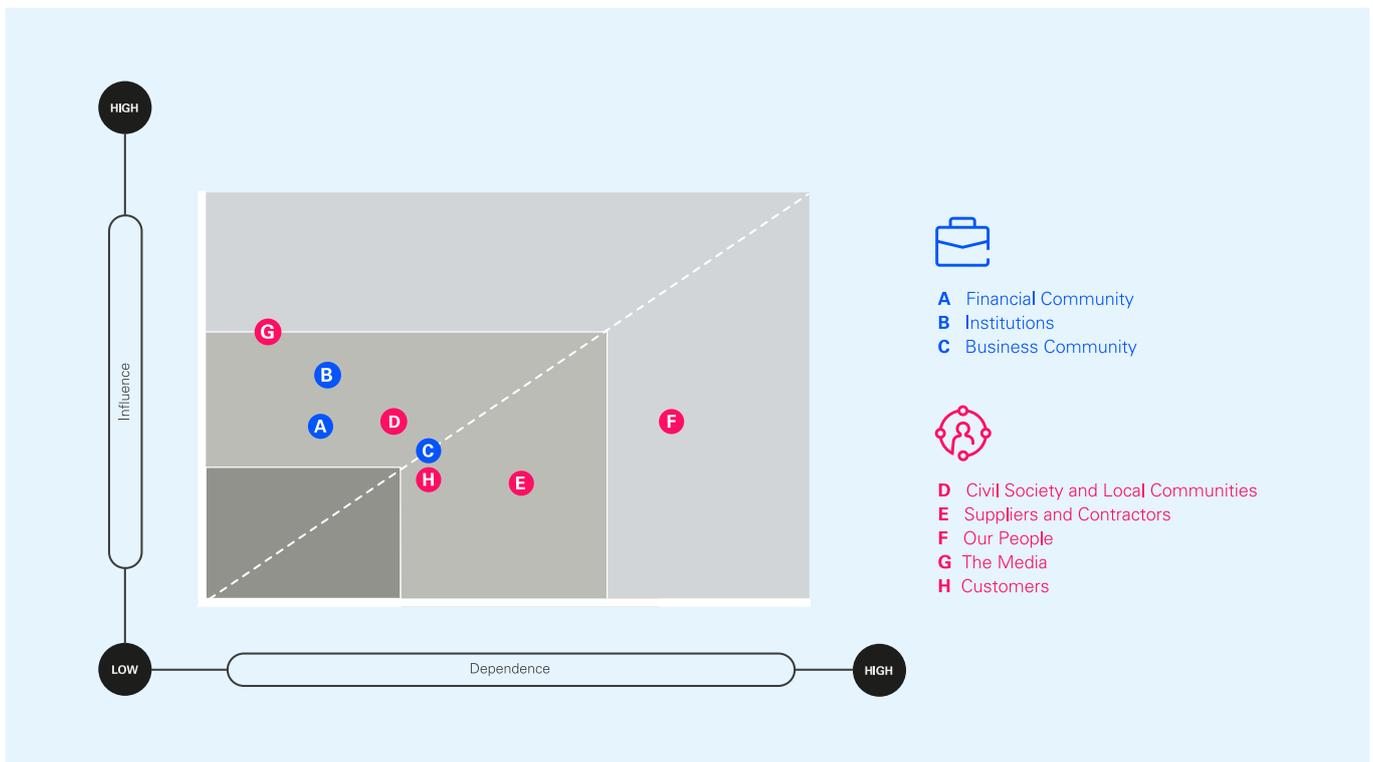
pend upon the activities, products and services of the organization and its associated functions.

2. Influence: Groups and individuals that may have an impact on the organization or strategic interest groups during the decision making process.

The combination of both factors reveals the relevance of the interest group, guiding and prioritizing its involvement in the identification of material issues.

This methodology is also applied in every territory in which the Company operates, increasing its level of detail and, therefore, its applicability in the design of effective responses.

This analysis resulted in the following stakeholder map.



- A Financial Community
- B Institutions
- C Business Community



- D Civil Society and Local Communities
- E Suppliers and Contractors
- F Our People
- G The Media
- H Customers

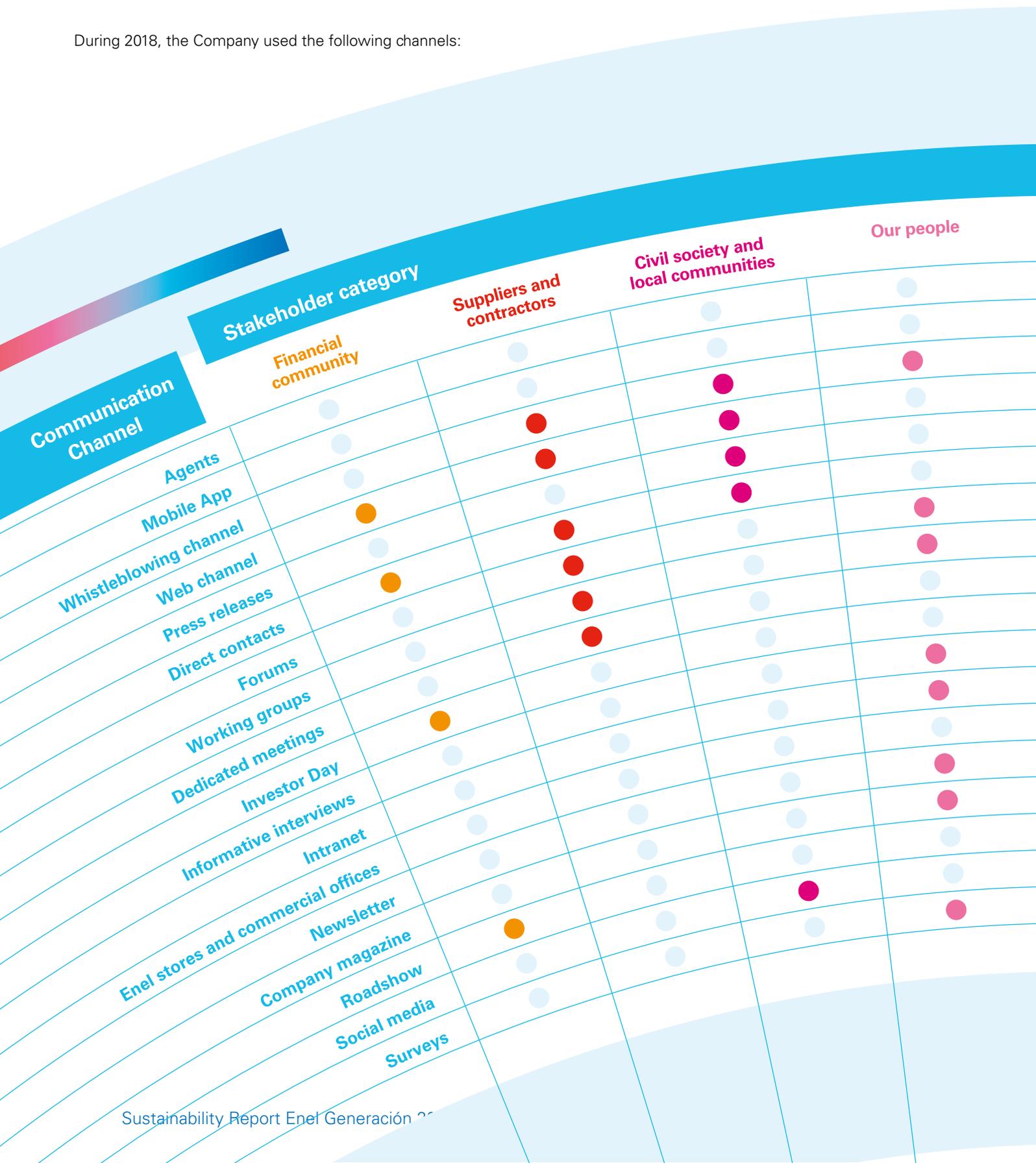




## Communication Channels between Enel Generación Chile and its stakeholders:

The operational excellence of the Company relies on a continuous interaction with its interest groups to which it is related by the exercise of its activities. Through communication channels and procedures, Enel Generación Chile obtains solid knowledge about their needs and expectations. Besides, the ethical channel is available to all stakeholders.

During 2018, the Company used the following channels:







## Materiality Study:

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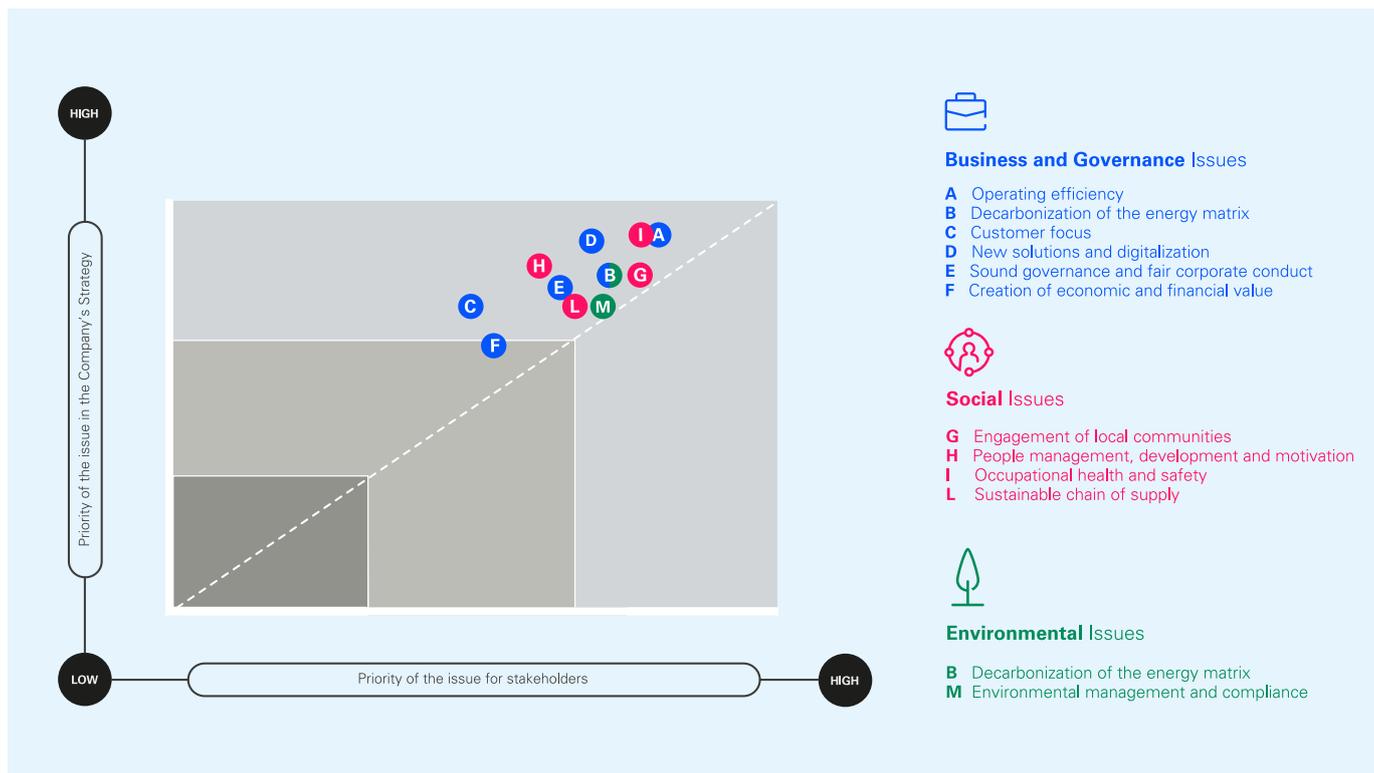
In 2018, Enel Generación Chile conducted a materiality study that served as the basis to define the priorities in its 2019-2021 Sustainability Plan. Sources and stakeholders' representatives were consulted both directly and indirectly in 2018 about:

- 1) The analysis of energy and sustainability trends that have a potential present or future impact on the Company's business.
- 2) The analysis of investors and analysts of sustainability matters.
- 3) A review of the materiality assigned to management issues of the leading companies in the electricity sector.
- 4) The analysis of the mass media and social networks.
- 5) In-depth interviews with the Company's senior executives.
- 6) An analysis of the reports on different aspects of the Company's sustainability: the corporate reputation report, the employee climate survey and the customer satisfaction survey.

# Results of the Materiality Study:

## Priorities for the Company and stakeholders

The following matrix shows the materiality of the different sustainability issues in the business strategy and the level of priority assigned by stakeholders:





## Enel's Material Issues:

### Operational efficiency

In order to ensure a continuous service with high quality standards, operational efficiency is an irreplaceable tool. This has led to the introduction of innovating solutions that have been simplified by the great technological changes the industry has experienced. These innovating initiatives indeed enabled the Company to reach, for example, greater efficiency in power plants, using less resources and reducing their negative impact on the environment, thus ensuring the quality of the service given to our clients.

### Occupational health and safety

For the Company and its stakeholders, health, mental and physical safety and integrity are considered the most valuable assets to its operations. The Company has adopted the best practices to detect and prevent situations that might jeopardize the integrity of its collaborators and contractors.

### Engaging communities

Fostering close relationship with its neighboring communities and promoting social and economic development have become two of the main purposes of the Company. It is key to create instances of engagement, transparency and inclusion in order to be an active part of the solution to the main challenges faced in the territories where it is present.

### Decarbonization of the energy mix

Actually climate change constitutes one of the main challenges to the power industry. Ultimately, a variety of public policies and regulations have been enacted to stimulate the decarbonization of electricity generation. Likewise, institutional investors increasingly scrutinize the Company's methods, approaches and results in the field of climate change.

### New solutions and digitization

Digital transformation creates new business opportunities based on the development of energy solutions that promote sustainability and enable the diversification of products and services offerings. Enel strongly believes that innovation and digitization of its processes will allow the Company to adapt to the new needs of its environment.

### Creating economic and financial value

The Company considers that the integration of financial and non-financial aspects is crucial for a sustainable economic growth, since environmental, social and governance performance increasingly impact on the sustainability of its business.



# Material issues

102-47



Issue	Scope	GRI Material Aspect
Occupational health and safety	Enel Generación	Occupational health and safety
New solutions and digitalization	Enel Generación	Within the organization
Operating efficiency	Enel Generación	Within the organization
Employee motivation, development and management	Enel Generación	Employment
Decarbonization of the energy mix	Enel Generación and the community	Within the organization
Ties to local communities	Enel Generación and the community	Local communities
Sound governance and fair corporate conduct	Enel Generación	The fight against corruption
Sustainable chain of supply	Enel Generación, suppliers and contractor employees	Procurement practices
Environmental management and compliance	Enel Generación and authorities	Environmental compliance
Creation of economic and financial value	Enel Generación and investors	Economic performance

# Institutional relations and memberships

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As a member of different trade and business associations Enel Generación participates in the design of regulatory frameworks relating to its industry sector.



Contributions in the last four years			
2015	2016	2017	2018
\$312,836,557	\$505,310,410	\$476,894,676	\$354,372,160

During 2018, Enel Generación participated in the institutional dialogue of several associations, supporting different regulatory processes and consultations related to public commitments, the development of energy policies, the national plan for decarbonization as well as tax, price and environmental regulations.

Through the Group's Compliance Program, Enel Generación Chile is committed with providing transparent information to the organizations with which it engages and its Code of Ethics— in line with Law 20,915—contains a prohibition to fund political parties, their representatives or candidates or to sponsor congresses or festivities where the only purpose is political propaganda.





## Memberships in associations

Fifth Region Business Association (ASIVA)	ASIVA is a multi-sector trade association that groups large, mid-sized and small businesses in the industrial, production and service sectors of the Valparaíso Region.
Industrial Association of the Central Maule Region (Asicent)	ASICENT is a trade association that brings together companies from the industrial, production and service sectors in the Maule Region.
Power Company Trade Association (AGG)	AGG is a trade association that promotes power industry growth based upon the principles of sustainability, reliability (safety, sufficiency and quality) and competitiveness. It participates in informed discussions about electricity generation and its composition and in the design of appropriate sustainable sectorial policies that will lead to the country's development and contribute to the wellbeing of all Chileans.
Chamber of Production and Commerce of Concepción (CPCC)	CPCC is a trade association that encompasses most of the manufacturing and service companies, mainly located in the Province of Concepción. It focuses on the promotion of local production, as a key factor for the development in the Bio Bio region.
Chilean Committee of the International Council on Large Electric Systems (CIGRE)	The Chilean Committee aims to approach CIGRE to Chile and become a technical referent and center of knowledge providing experts and companies in the Chilean electricity sector access to a global network through their integration in a first class global forum.
Chilean Member Committee of the World Energy Council (WEC-Chile)	WEC-Chile brings together leading conglomerates, companies and entities in the Chilean and international energy sectors for the promotion of national energy development. It makes experience available from all levels of the Chilean energy community.
Foundation for the Development of the Communities of Puchuncaví and Quintero	This organization is committed with the development of the municipalities of Quintero and Puchuncaví - both in the fifth region - by means of different specific Entrepreneurial Social Responsibility actions that aim to improve the quality of life of local inhabitants. It promotes associativism among industries, creating instances of dialogue between the business sector and the community to obtain, channel and optimize resources. Its goal is to improve education, teach entrepreneurial skills and implement projects, as well as propel alternatives for sustainable development in both municipalities.



Global Compact-Chile Network	The GLOBAL COMPACT CHILE NETWORK is part of the U.N.'s Global Compact that aspires to contribute to the emergence of "shared values and principles, which will give a human face to the global market." The idea is to build a more inclusive and equitable global market through the combined efforts of companies, UN organizations, workers, non-governmental organizations (NGOs) and other players.
International Commission on Large Dams (ICOLD) - Chile National Committee	ICOLD-CHILE is an imminently technical non-profit, non-governmental agency dedicated to the improvement of professionalism in the planning, design, construction, maintenance and operation of large dams by compiling information and studying and disclosing related issues. Chile is a member of its National Committee that collaborates in complying with the Bylaws and Regulations of ICOLD. Upon request, it advises public and private agencies in technical matters relating to the purposes of ICOLD.
International Hydropower Association (IHA)	IHA is a trade association that represents the hydroelectric sector globally. Its mission is to promote sustainable hydroelectricity and share knowledge about its role in renewable energy systems, fresh water management, and climate change solutions.
Committee for the Advancement of Maule (JAM)	JAM is an organization that aims to become the apex of a harmonic development strategy to collaborate, in different ways, in the evolution of the Maule Region. The goal is to attain progress through diverse actions and projects to solve the more latent problems in the region in areas such as education, production, the environment, road-urban infrastructure and many other aspects involving the social and economic development of the community.
Manufacturing Development Society (SOFOFA)	SOFOFA is a trade federation for companies and associations in the Chilean industrial sector. Its purpose is to promote the sustainable development of the industrial sector and the economic growth of the country by fostering and proposing public policies that encourage investment, entrepreneurship, the ongoing training of individuals, job creation and an appropriate inclusion in the private sector.





## Main types of risk

102-15

Given the nature of its business and geographic distribution, the Enel Group is exposed to different types of environmental, social and governance (ESG) risks. The table below details the main risks and mitigation activities intended to emend externalities and to ensure a proper risk management throughout the entire value chain. Risk identification considers following documents:

- The results of the materiality assessment (see the chapter on “Materiality”); the World Economic Forum’s (WEF) Global Risks Report

- 2019 which involved around 1,000 experts and leaders around the world;
- Risk assessments realized within the Human Rights due diligence conducted by Enel, which involved numerous experts from different sectors, such as civil society, academia, local communities, customers and suppliers in the different countries in which the Group operates;
- Analyses by internationally certified ESG rating agencies that employ specific risk assessment systems to measure the Company’s sustainability performance.

During the risk identification and assessment phase, Enel applied the “Precautionary Principle”<sup>11</sup>, in particular for risks related to environmental, health and safety issues. For each of them the Company defined specific mitigation actions aiming at the reduction of impacts and ensuring a proper risk control management. The Precautionary Principle also applies to risk management, related to the development and introduction of new products and technologies, operational planning and the construction of new plants/assets.

<sup>11</sup> Rio Declaration regarding environment and development (Rio de Janeiro, June 3 to 14, 1992), Principle 15



ESG Risk	Risk description	Management method and mitigation
The risk of cyberattack	The era of digitalization and technology innovation increasingly exposes organizations to cyberattacks, which ultimately have become more and more sophisticated. The organizational complexity of the Group and the diversity of its environments of interaction (data, people and the industrial world) increment the exposure of its assets to the risk of cyber-attacks.	The Enel Group has adopted a risk management model that uses a "systemic" approach, applicable both to the traditional information technology sector as the industrial sector (operational technology) and that takes into account the internet of things. In particular, Enel has adopted a cybersecurity policy framework to guide and manage cybersecurity activities. This involves participation of business units, the implementation of regulatory and legal indicators, the use of the best technologies available, the preparation of ad hoc commercial processes and people's awareness raising. The framework sets down the basis for strategic decisions and designs activities from a risk-based focus using a design and development model that defines the appropriate security measures throughout the entire life cycle of applications, processes and services ("cybersecurity by design"). Enel has also created its own cybernetic emergency readiness team (CERT) to address an industrialized response to cyber threats and incidents, This program is recognized and accredited by national and international communities.
Physical risks of climate change	The physical risks resulting from climate change may relate to unique events or long-term changes in climate patterns. Extreme weather phenomena and natural disasters expose the Group's assets and infrastructure to damages, with the consequent possibility of their prolonged unavailability. Gradual climate change (for instance air and water temperatures, precipitations or storms) might also affect operation of assets.	Enel operates throughout the entire value chain of the electricity industry (generation, distribution and sale). It has a diversified business portfolio in terms of generation technologies and geographic areas and markets. This mitigates the risks associated with alterations in climate patterns and their financial implications.  The Group also makes use of the best prevention and protection strategies aiming to reduce potential impacts on communities and areas adjoining assets: it realizes a constant climate monitoring and forecasting in areas with critical levels of exposure. Besides the Company ensures the resilience of its assets through regular interventions and maintenance. All of the Group's areas are ISO 14001 certificated and through internationally renowned Environmental Management Systems (EMS) potential sources of risk are monitored in order to timely detect any critical event.





ESG Risk	Risk description	Management method and mitigation
<p>Climate change transition risks.</p>	<p>The transition to a low-carbon energy model entails regulatory, political, legal, technological and market risks related to the combat of climate change. The latter might have impacts on the short, medium and long term.</p> <p>Some of the climate change risks to which Enel may be exposed and may have a potential impact on the Company's financial performance are: an increasing obligation to report on emissions as well as other legal requirements, the use of low-emission energy sources and a reduction in the use of fossil fuels, uncertain market signs with potential unforeseen changes in the energy industry, an increase in the price of raw materials or the growing interest of stakeholders in climate change.</p>	<p>The Group is committed to continuously reducing the environmental impact of its business. It has set emission reduction goals, mainly the goal of "zero emissions" by 2050. It has adopted a strategy to address growth through the development of low-carbon technologies and services in line with the COP 21 goals.</p> <p>To mitigate the risks of legal and regulatory aspects relating to climate change, the Group also maintains transparent, collaborative relations with local and international regulatory authorities.</p>
<p>Water related risks</p>	<p>Water related risks mainly derive from climate change and the efficiency in the use of hydric resources. Impacts differ depending upon geographic context, but nowadays the ability to predict the frequency and intensity of rain phenomena has diminished causing a decline in the availability of water.</p> <p>As to the intensity of water use, the main risks result from the competition between industrial, agricultural and domestic use.</p>	<p>Every 3 to 6 months, Enel performs meteorological assessments, and a long-term analysis in areas where it has power facilities, in particular hydroelectric plants, in order to anticipate potential variations in the availability of water. In collaboration with local authorities, the Company develops river basin management activities, aiming at a common strategy for hydric resources management, which at the same time considers the necessities of local communities.</p> <p>Enel has also adopted measures to improve the efficiency in the use and quality of water by installing EMS at production sites.</p>
<p>Environmental compliance risks</p>	<p>Environmental protection laws are increasingly restrictive, due to growing awareness and sensitivity of the community towards environmental protection. The result is an incrementing pressure on companies to minimize their environmental footprint. Population and economic growth also cause impacts such as scarcity of natural resources, waste production and biodiversity loss.</p>	<p>Enel has adopted an ISO 14001-certified EMS at its power plants and in its distribution networks. Those include environmental KPI monitoring systems and actions to reduce its environmental footprint that go beyond regulatory requirements. Enel is also implementing specific measures to protect biodiversity in the areas surrounding its plants and facilities. Finally, the Group prepares environmental impact assessments each time it develops a new project and puts measures in place to protect the environment and surrounding ecosystems throughout the entire life cycle of the project (construction, operation, disposal).</p>



ESG Risk	Risk description	Management method and mitigation
Human capital risks: request for, and development of, new professional profiles and skills.	The profound transformation in the energy sector, characterized by a strong technological drive, requires new professional profiles and skills and an important cultural and organizational change. Organizations must move towards new, agile and flexible business models. Diversity policies and others, related to talent development and management, have become key to companies with global presence that at the time lead the energy transition process.	<p>Enel puts its people at the core of its business model. To this end, human capital management is one of the pillars of the 2019-2021 strategic plan. The latter contains specific goals, including the development of digital skills and competencies, the development of evaluating systems for performance and work environment, and the implantation in all companies of the diversity and inclusion policy.</p> <p>Enel is also impulsing specific initiatives to spread the agile work method across the Company's processes.</p>

More details on the above risks, including financial risks, and the generic risk management system can be found in the 2018 Annual Report available on the Company's website.

## Environmental, social and governance (ESG) indexes and rankings

### FTSE4 GOOD

Once more, Enel Generación Chile was incorporated in the FTSE4Good<sup>12</sup> Index, a London Exchange sustainability index, in the Emerging Market and Latin America Emerging Market categories. This index classifies the top companies in terms of performance in areas like the combat against climate change, governance, respect for Human Rights and the fight against corruption.



### Vigeo-Eiris

Enel Generación Chile was added to the Best Emerging Market Performers ranking of Vigeo-Eiris,<sup>13</sup> which classifies companies on basis of a "best in class" assessment.



12 <https://www.ftse.com/products/indices/ftse4good>

13 [http://www.vigeo-eiris.com/wp-content/uploads/2018/12/Best-EM-Performers-Ranking\\_12\\_2018-1.pdf?x62552](http://www.vigeo-eiris.com/wp-content/uploads/2018/12/Best-EM-Performers-Ranking_12_2018-1.pdf?x62552)





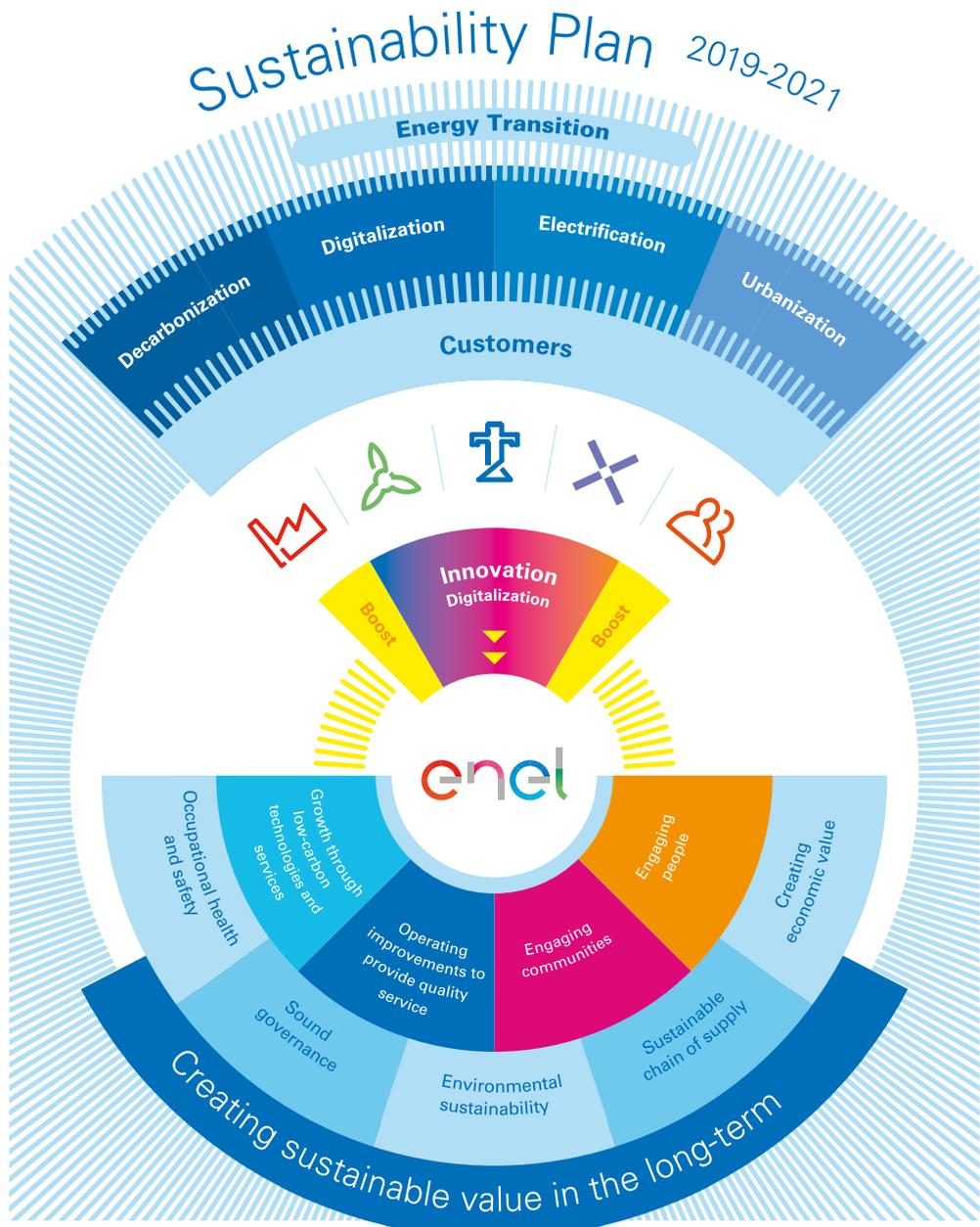
# 2019-2021 Sustainability Plan

102-11 102-15

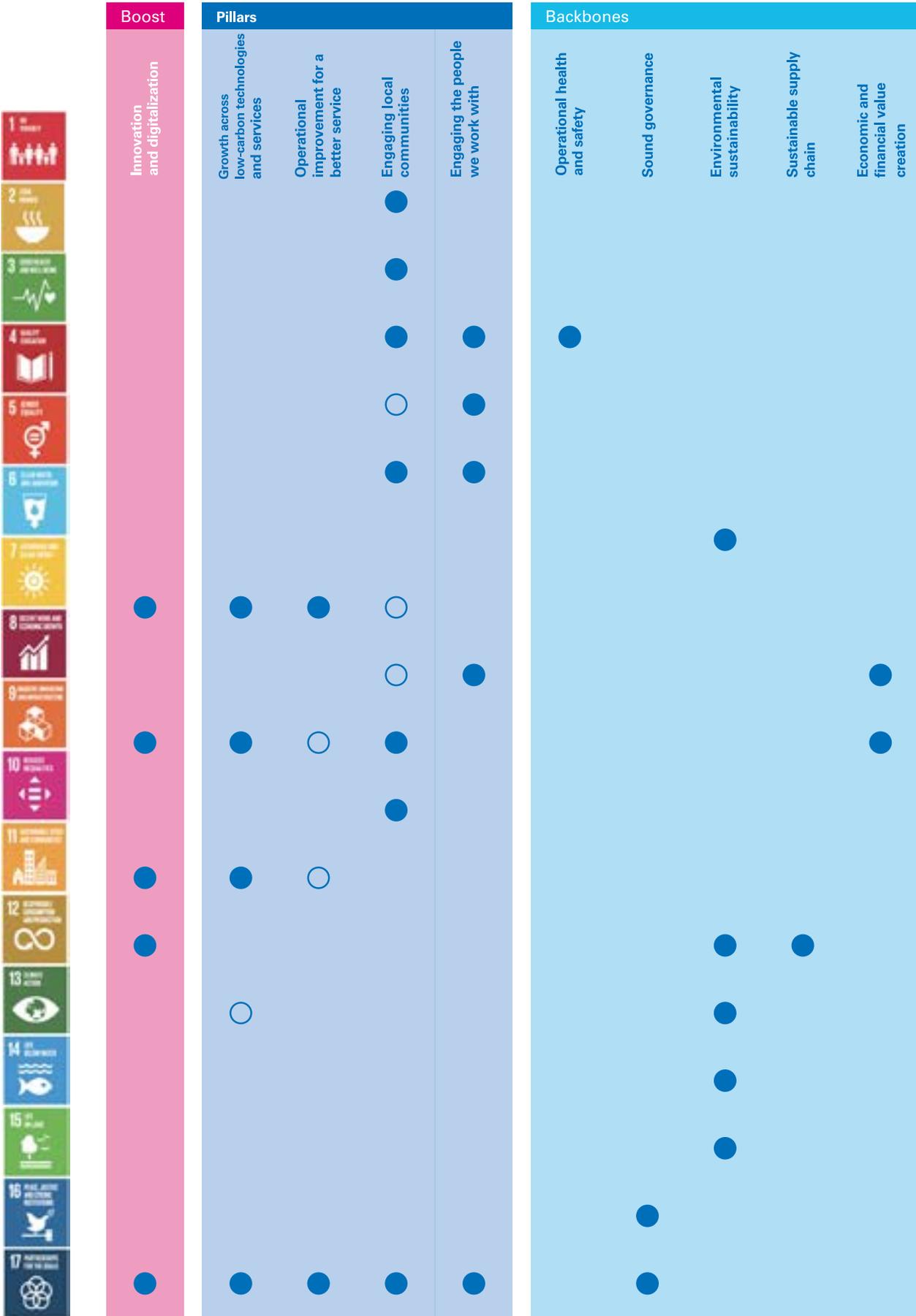
Enel yearly updates its sustainability plan in line with the global sustainability trends within the industry, energy sector tendencies and the sustainability context of each country, taking into account the commitments and guidelines of public policies and its annual materiality assessment. The Sustainability and Community Relations Division monitors the progress in, and compliance with, the plan. The 2019-2021 sustainability plan guides Enel Generación Chile's management, allowing the Company to navigate the energy transition which is moving at an unexpected pace.

The main changes compared to the 2018-2020 plan are:

1. Enel has committed to two new SDG goals: SDG9 on industry, infrastructure and innovation; and SDG11 on sustainable cities and communities.
2. A new strategic priority has been added: Operating Improvement to provide quality service, which supersedes the strategic priority of Asset Optimization and Innovation.

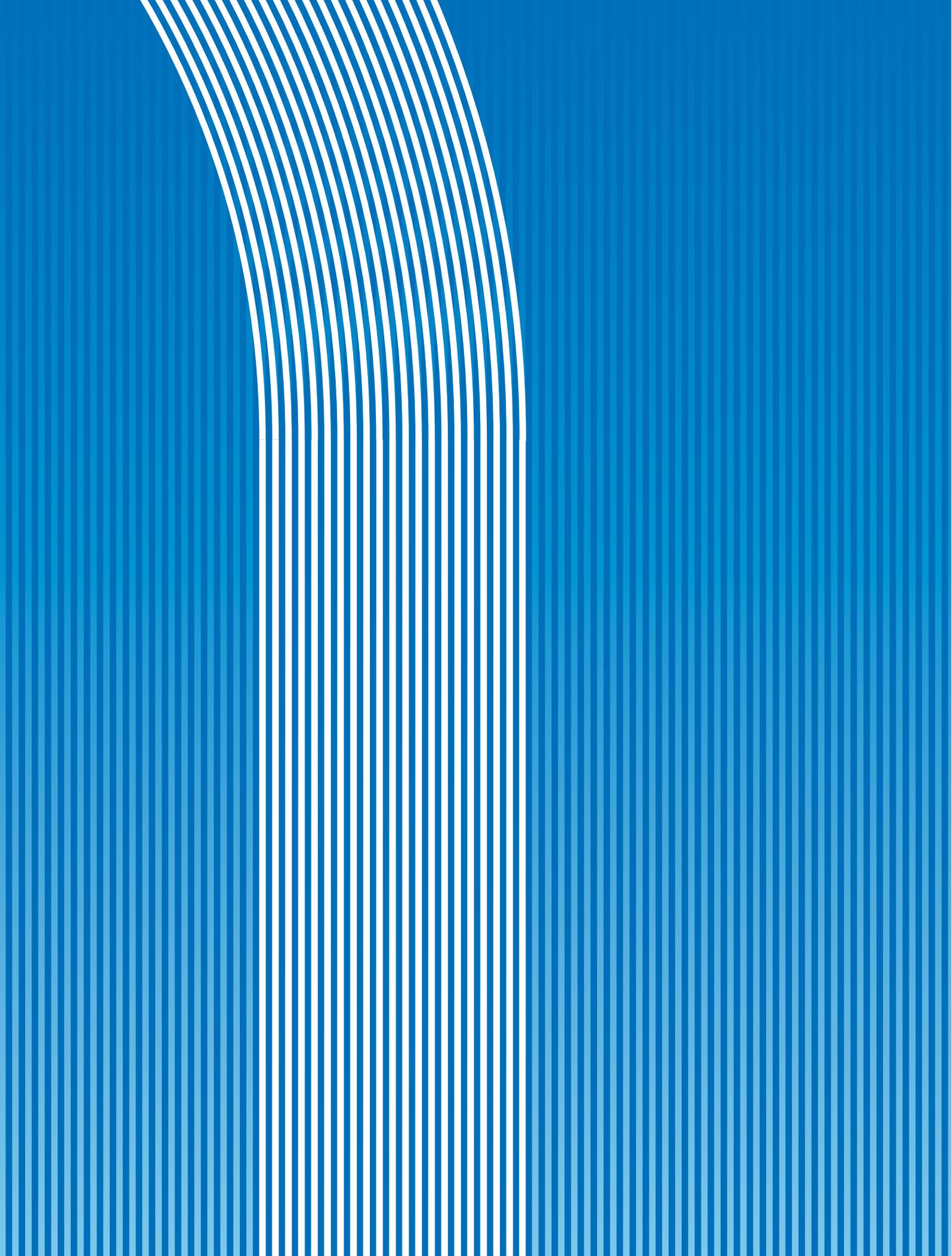


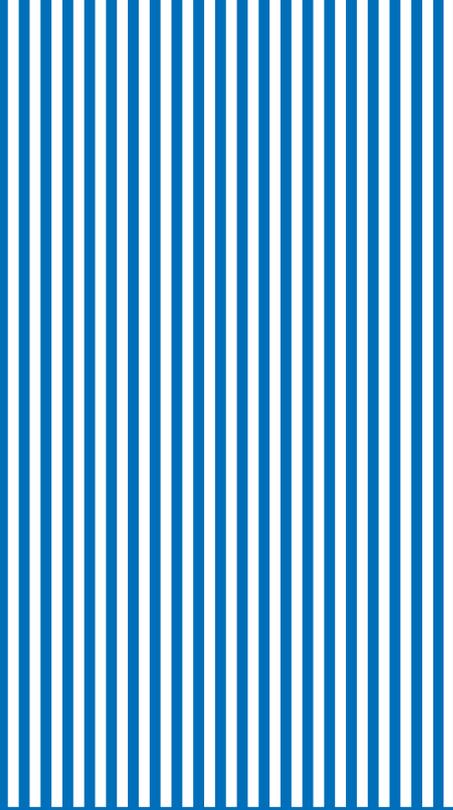
# Enel's commitment to the SDGs



● Enel's commitment ○ Public commitment taken with the United Nations and the Capital Markets Day







02

Sustainable  
value created



# Engaging communities

## Communities and shared value

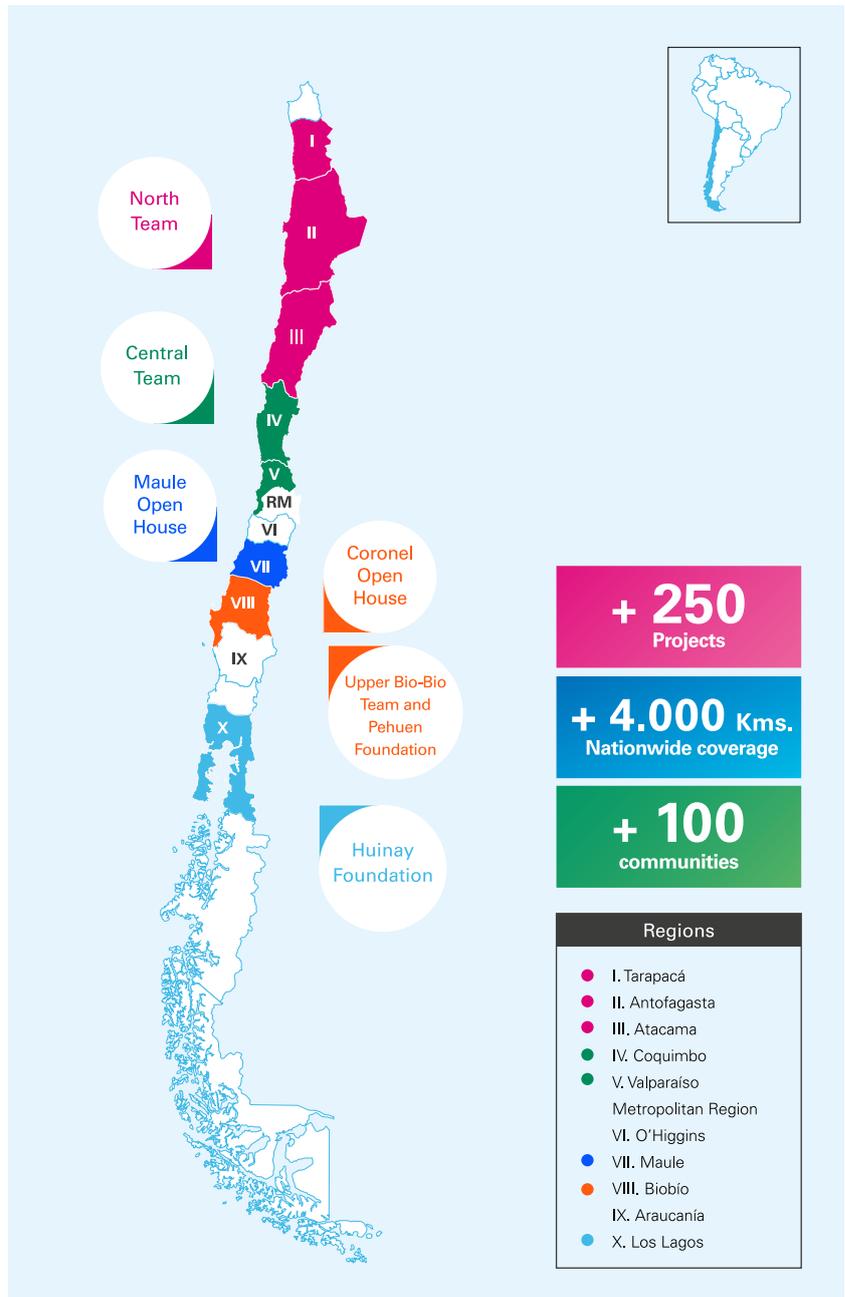
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203-1 413-2

Enel Generación Chile's community relations strategy focuses on creating participative instances, transparency and inclusion aiming at its active involvement in facing the main challenges of local communities neighboring to its facilities.

## Enel Generación's relations with territories

The Community Relations and Sustainability Policy posted on our website establishes guiding principles to contribute to the wellbeing of territories, procuring an understanding of its cultural characteristics, identifying local priorities, and determining common interests between communities and the Company.

Ongoing dialogue with the many public and private players and civil society helps us design initiatives in answer to shared priorities and promote local development (<https://www.enel.cl/es/sostenibilidad.html>).



## Stakeholder Engagement

102-40 102-42 102-43 102-44

Standard engagement criteria assure an equitable and transparent participation in the different zones of the country throughout the life cycle of projects: business development, engineering,

construction, operation and maintenance. The five territorial teams forming part of the Community Relations and Sustainability Division manage the projects in four stages:



Using assessment and monitoring tools throughout the entire value chain, Enel Generación Chile identifies the social and environmental context of its neighboring communities, enabling the co-design of relevant initiatives for each community. For each territory the Company assigned a team that constantly monitors the local circumstances, detecting community requirements and opportunities for joint project development.

## Sustainable social and economic development

203-1

In 2018, community engagement mainly focused on local social and economic development in line with the Sustainable Development Goals of the United Nations, the Country Commitment fostered by the Ministry of Social Development and the 2018-2022 Energy Roadmap of the Ministry of Energy.

However, though community projects align to national and international guidelines, they always focus on local development, taking into account the specific context of the territory.

Social and economic development require communities to have access to utility services to guarantee the minimum conditions to attain the best living standard. The UNDP studies entitled “Regional Inequality in Chile” and “Energy Poverty: an analysis of international experience and lessons for Chile” emphasize that in the last decade, human development indicators have improved in most territories, but still show a significant gap as to access to utility services.

According to the United Nations reports, one of the main problems in rural areas is the difficulty for people of work-

ing age to find a job, especially younger people, women and senior citizens. Moreover, working conditions do not necessarily guarantee the possibility to overcome poverty, for which it is crucial to promote an inclusive, sustainable and environmentally respectful growth to obtain sustainable social and economic development.

Enel, through local investments and technical training, aims to create the necessary conditions for local development, by supporting entrepreneurship initiatives, the creation of quality jobs and the stimulation of the economy, while conserving the cultural and natural heritage of its neighboring communities.





## Access to basic services

In 2018, the Company focused mainly on improving access to clean and efficient energy, to potable water and to sanitation and on developing infrastructure to recover public spaces. It invested more than 280 million pesos toward those efforts.

## Energy:



Within the 10 Mega-Commitments of its 2018-2022 Energy Roadmap, the Ministry for Energy committed to prepare a national energy vulnerability map that identifies families without access to electricity or other energy services, with the purpose to narrow existing gaps. According to the UNDP study titled "Energy Poverty: An analysis of international experience and lessons for Chile," there exists an important lack of access to domestic energy in rural areas and especially those with a rurality index above 30%. Moreover, UN SDG7 aims to guarantee access to modern affordable, safe and sustainable energy for all.

In this context, during 2018 Enel Generación developed several projects providing access to energy, procuring to improve the development conditions for neighboring communities:

## Lighting of public spaces

### Quillota y Quintero Innovability

In 2017 Enel Generación Chile, jointly with local communities developed the Sustainability Plans for Quillota and Quintero, Municipalities where the Company operates the San Isidro and Quintero thermal power plants. In 2018, both plans started their implementation based upon two work streams denominated Quillota and Quintero Innovability. Their purpose is to boost initiatives related to the energy transition, such as energy efficiency and self-generation, thus enhancing communities' living standards and contributing to urban development,

The Company installed photovoltaic systems, generating a total of 3 kW in the Quillota fire department (4ta Compañía de Bomberos de Quillota) and 10 autonomous LED solar lamps near the San Pedro and El Cajón de San Pedro roundabout and intersection, illuminating high pedestrian traffic areas and enhancing this way local security.

In Quintero, Enel Generación Chile launched three photovoltaic generation projects with a total installed capacity of 6 kW, in addition to 12 self-generating public light posts, recreational areas and



the El Estuche lookout. Simultaneously the Company replaced all LED lightning in the community centers pertaining to the El Estuche and El Bosque neighborhood councils. This enabled the local communities to recover their public spaces and become a protagonist in the energy transition. In the same line, and to promote electric mobility, in 2019 the Quintero Hospital will be provided with an electric vehicle, destined for domiciliary visits to lethargic patients.

This way, Enel benefitted more than 2,730 people, encouraging the use of clean and efficient energy, aligned with its commitment towards the energy transition.



**Lighting in Taltal**

Enel Generación Chile, in an alliance with NGO Liter of Light Chile, executed an educational program called "Lighting in Taltal "; aiming to solve several energy issues at Caleta Paposo. The program encompassed three activities: the construction of a solar charger for students at the Paranal Grade School, a solar tree for students in the Paposo Pre-School and a workshop to build solar posts for the community.

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 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	>	<p><b>13</b> projects</p>	>	<p><b>&gt; \$135.000.000</b> an investment of</p>	>	<p><b>5.800</b> beneficiaries in 2018</p>
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## Water and sanitation:

As part of its Country Commitment, the Ministry of Social Development prepared a Vulnerability Map that has identified and prioritized 16 at-risk groups, which include a group of 1,400,000 people residing in homes with no basic sanitary services (potable water and/or bathroom). U.N. SDG 6 aims to guarantee the availability of water, its sustainable management and sanitation for all. One of the goals by 2030 is to achieve equitable, universal access to potable water at a price affordable for all. The lack of basic sanitary services presents a significant risk to the health of people.

## Rural Potable Water

### Callaqui- Alto Biobío

The community of Callaqui, located in the Municipality of Alto Biobío, comprises 281 homes within an area of approximately 2000 hectares. In 2015, Enel, jointly with the Amulen Foundation, started the building of a potable water network connecting 103 households. In 2016, its construction was finished, adding another 95 connections. The project was complemented with workshops to raise the community's awareness about the importance of water and the responsible use of it. The overall investment amounted CLP\$400,000,000, benefiting more than 800 people.

### Water extraction and distribution in Los Álamos - Maule

The Los Alamos Community, neighboring to the Maule basin power plants, actually faces problems related to potable water network and quality. Therefore, Enel Generación Chile, in collaboration with Casa de la Paz Foundation, installed an extraction and distribution system in the water well that feeds the Rural Potable Water system built by the Hydraulic Works Bureau (DOH) as part of the Maule Shared Vision Plan. The system consists of a submersible pump that will guarantee a temporary supply, in appropriate conditions of quality and quantity, to 250 inhabitants in the locality.



**5**  
projects



**> \$47.000.000**  
an investment of



**~600**  
beneficiaries  
in 2018

## Infrastructure for a sustainable community:

The availability of reliable infrastructure is fundamental to urban and community development since it ensures the well-being of inhabitants and fosters social stability. Besides, it is a key enabler to make cities more resilient. Nevertheless, there additionally exists a need to improve urban planning and management in order to make cities inclusive, secure and sustainable. SDG 9 promotes a sustainable infrastructure and industrialization while also encouraging innovation. SDG 11 aims to make cities and human settlements inclusive, safe and sustainable.

### “My Neighborhood, Our Neighborhood” Program: The recovery of Coronel

In 2017, Enel Generación Chile requested a gap assessment according to international standards for the resettlement process it began in 2010. The study concluded the process did not align with international standards and hence had to be redirected, incorporating additional requirements.

Consequently, the Company focused on bridging the gaps, taking into account the IFC standards on Human Resettlement. Through its program “My Neighborhood, Our Neighborhood”, it restored the life habitat, as defined by the United Nations, improving the life quality of 1.370 relocated families.

The United Nations acknowledges five capitals for the restoration of life habitat: Human, Financial, Natural, Social and Manufactured.





## Cerro Obligado

In 2018, preparations began for the construction of Cerro Obligado's Parque de los Sentidos and its community center, which will be built using eco construction techniques. The project will be executed jointly with Entre Pallets, a micro-enterprise owned by bio constructors specially trained for that purpose. This will be the first community center with a capacity for 1,600 inhabitants where activities will be held on environmental awareness and other different subjects.

It will support communities that participate throughout the entire construction process in their reinsertion into the labor market.

## Multiple-use building - Eluney Club

The Eluney Club results from the joint efforts between Enel Generación's sustainability and engineering units and consists of a sports court with dressing rooms, a bicycle powered cinema, chess rooms and children's playground. The project is located in the middle of the Huertos Familiares sector and will be opened in 2019.

## Huertos Familiares

With the purpose to provide Huertos Familiares with a space for social activities, Enel Generación Chile rehabilitated a 200 square meter community center, with a capacity for more than 140 families relocated to the northern sector of Coronel.

For its reconditioning, eco construction techniques were employed, including 180 pieces of furniture manufactured with waste wood stemming from de construction of the South Dome, as well from the Industrial quarter in Coronel.



## Churches

Enel Generación is currently reconstructing 8 evangelical churches initially excluded from the resettlement process. This way an important part of the local social economic assets will be recovered, giving life to the new neighborhoods.

## School

With a 2 million dollar investment, this project involves the reconstruction of the Rosa Medel School in the Peña sector, an area with a high demographic concentration of resettled families. This location was chosen to recover the enrollment lost in the resettlement process.

## Sede Nuevo Esfuerzo y Doña Isidora

Dialogue and a design process were held in 2018 with the neighborhood associations of Nuevo Esfuerzo (where 300 families live) and Doña Isidora (90 families) in order to include their vision in the construction of new community spaces that will begin in 2019.

## Murals and beautification

This project involves artistic and community intervention in the Bocamina 1 and Bocamina 2 facilities with a 3,600 m<sup>2</sup> painting on the façades of the power complex, reflecting the community's social cultural identity. Fourteen focus groups - one including Enel collaborators - defined the themes and iconography incorporated in this piece of art.

More than 30 cultural identity scenes were reflected in it and more than 20 volunteers from Coronel participated in giving shape and color to the plant's facilities.

The mural contributed to other projects being carried out in Pedro Aguirre Cerda by the Sustainability and Heritage divisions of the Company, such as the creation of 4,697 m<sup>2</sup> of green areas and the plantation of 134 trees.





## The Maule Connectivity Project

### Improving the access to Los Álamos

Los Álamos community faces access problems, disabling buses or garbage trucks to transit and thus jeopardizing local development.

Therefore, Enel Generación Chile, in December 2018, started to build a 1,8 km long paved road, which at the time will boost tourism around the International Pehuenche Road, contributing so to the commercialization of local products.



**10**  
projects



**> \$95.000.000**  
Investment of



**~ 14.500**  
beneficiaries  
in 2018



## Fostering local entrepreneurship and sustainable tourism



The CASEN 2017 study, carried out by the Ministry of Social Development, revealed that more than 400,000 people above age 18 are unemployed for 3 months or more or have no employment contract. This group pertains to the 40% poorest of the population. U.N. SDG 8 establishes the need to promote inclusive economic growth and decent work for all.

Enel Generación Chile's local development initiatives intend to create quality job opportunities to overcome social

economic barriers. These projects focus on conserving identity and culture, environmental care and sustainable tourism. Following this logic, community projects seek to contribute to an autonomous social economic development through initiatives that preserve local know-how and traditions.

The areas of influence of Enel Generación Chile's operations have a great potential for tourism and recreation. To leverage this feature and encourage the social economic development of inhab-

itants, the Company is implementing projects to provide the tools for sustainable tourism entrepreneurship.

In 2018, more than 50 small and mid-sized businesses - run by more than 150 women and around 30 indigenous communities- were formally created with the support of Enel Generación Chile.

16 National Social economic Characterization Survey (Casen), 2017. Ministry of Social Development.





## SME Development



### Tuber farming in Lonquimay



In 2017, 6 families from the Lonquimay community began a small-scale production of potatoes. To improve quality and increase the productivity of this business, Enel Generación Chile funded the purchase of 6 hectares of farmland.

At this time the Company is providing technical, commercial and logistic support to local farmers with the help of two agronomists. This has led to

the creation of the “We Kimun” Cooperative. In 2018, the Agricultural and Livestock Service (SAG) certified the Cooperative as a potato seed producer, turning it into one of the 17 accredited farmers in the Araucanía Region, adding thus significant commercial value to their products. The project benefits 25 people, including the family members of these farmers.

The project received the support of the Municipality of Lonquimay and the Regional Government of La Araucanía to open a salesroom and finance four tuber processing lines.



## Hazelnut processing in El Avellano



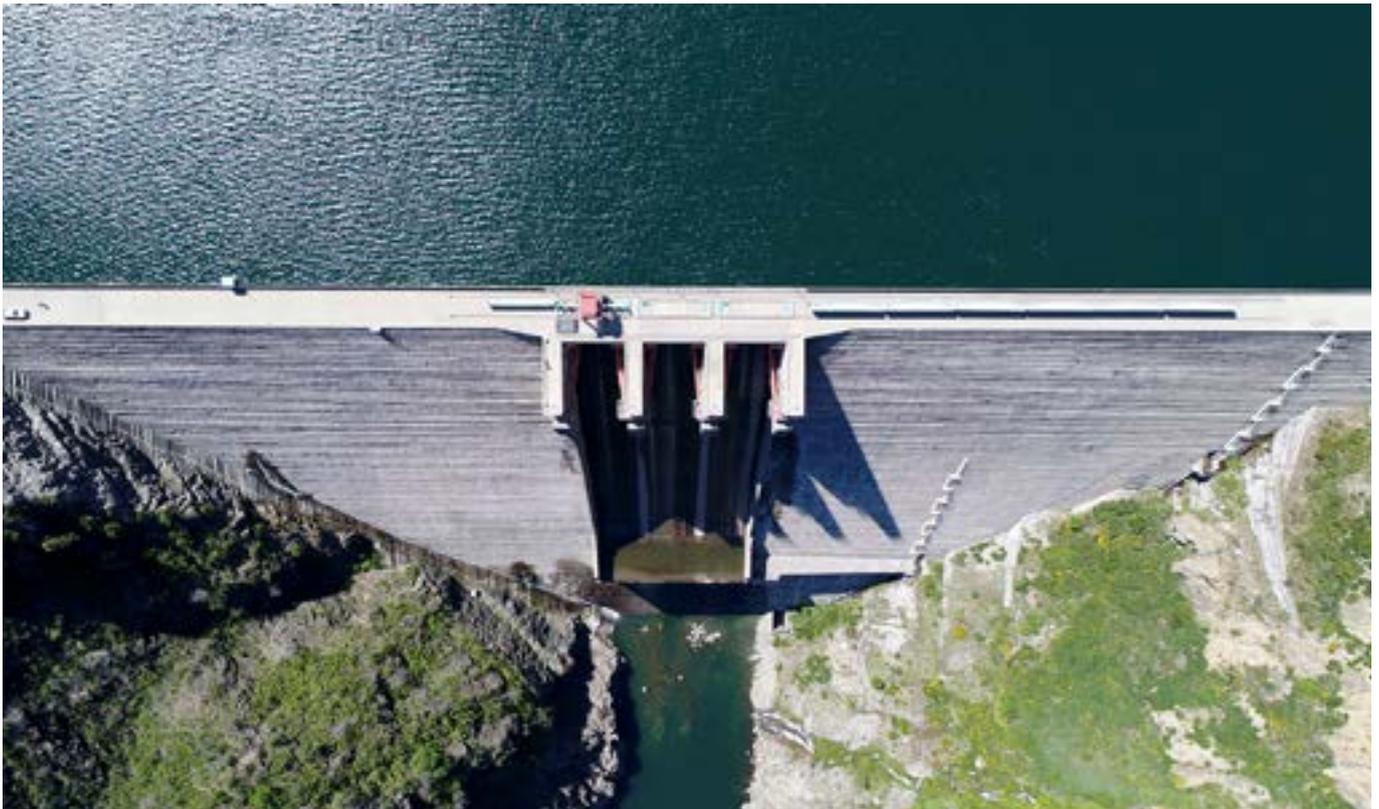
Since 2017, Enel Generación Chile is participating in a project with the El Avellano indigenous community to process Chilean hazelnuts. Production activities include harvesting and commercialization of hazelnuts, which were formerly sold in bulk at prices of around CLP\$300 per kilo. Once detected the opportunity to increment the community's income by offering processed products, the Company decided to fund the pur-

chase of equipment for the processing of hazelnuts and the manufacturing of by-products like coffee, honey and toasted hazelnuts, which increased the sale price to close to CLP\$2,300 per kilo. In 2017, the Agrarian Innovation Foundation (FIA) of the Ministry of Agriculture awarded the project a 47 million pesos funding for the construction of a processing room, built in 2018 and backed by an appropriate business plan.

In 2018 the El Avellano Cooperative was formally constituted and several technical tours were held, simultaneous to the construction of a salesroom.

Hazelnut by-products have increased the El Avellano community's income by more than 700%.





## Ralco

The area of influence of Enel Generación Chile's operations in the upper Bio Bío is occupied by 10 Pehuenche communities, comprised of 800 families and a population of 3,100.

These communities are Pitril, Callaqui, El Avellano, Aukin Wallmapu, Quepuca Ralco, Ralco Lepoy, El Barco, Guayalí, Pewen Mapu and Ayin Mapu.

In 2015, the Company and the communities accorded a dialogue agreement, starting a new relationship process, based upon collaborative engagement. This resulted in the Community Development Plan that covers production, social, cultural and environmental issues.

During 2016, the Company and the Municipality of Alto Bio Bío signed a long-term cooperation agreement to develop initiatives to promote education and social economic development in the region.

In February 2017, the Company signed a historic Collaboration Agreement with five families from the Aukin WallMapu Pehuenche Community to work jointly on community projects. This is a significant advancement in the Company's relations with zonal communities since it settles for the claims of families about the Quepuca Pantheon or Site 53, the ancestral cemetery flooded by the Ralco hydroelectric power plant reservoir.

In July 2017, additional agreements were signed with two other communities affected by the flooding of Site 53, putting thus an end to the disputes generated by the Ralco power plant construction in 2004.



300 pieces of furniture were manufactured in 2018 using 2,200 pallets supplied by the Bocamina Power Plant, avoiding 86 tons of CO<sub>2</sub>eq thus far to date.

## Entre Pallets



Four women from Coronel made history by opening the first local and regional eco-furniture shop. They were trained by Enel Generación Chile and the Sembra Association in bioconstruction techniques, eco-carpentry and business administration. These new skills gave them the tools to start their own business, Entre Pallets. Entre Pallets manufactures furniture by recycling pallets from the Coronel industrial park. The furniture is for both residential and commercial use and is produced under high quality and design standards. By incorporating circular economy concepts, Entre Pallets is committed with the environment and intends to reduce the environmental impact in each of its processes. It will build a salesroom during 2019.

<http://www.entrepallets.cl/>





## Businesses with Impact



In October 2018, as part of Innovation Week, Enel invited four micro enterprises from different territories to participate in several activities that would strengthen their sales and know-how as well as broaden their contact networks.

The first initiative consisted of a commercial planning and negotiation training imparted by a team from EMPREDIEM. They also attended an “Innovation Fair” giving them the chance to apply the acquired knowledge and sell their projects. Finally, these entrepreneurs attended a “Businesses with Impact Seminar,” organized by the System B foundation. The purpose was to connect small and mid-sized businesses, B businesses and large businesses to encourage alliances and trade agreements that have positive social and environmental impacts.

The participants were:

- > The “We Kimun” Cooperative from Lonquimay
- > The El Avellano Farming Cooperative
- > Entre Pallets from Coronel
- > “El Hueso de Taltal,” a small farmers trade association

Sistema



## Pehuenche Route Entrepreneurships



The Pehuenche Pass is an international corridor with great natural attractions. Enel Generación Chile is therefore helping to turn it into a scenic route for tourists, stimulating thus diversification of local employment and the introduction of new skills to the local community. The Maule Shared Vision Plan was co-designed in conjunction with nine neighboring communities. It establishes three work streams: infrastructure projects, quality-of-life projects and income-improvement projects. Within the scope of the latter, the community held several workshops to create production capacities. These workshops focused on developing eco-carpentry skills to build furniture using eco-construction techniques; on manufacturing silver jewelry; and on manufacturing textiles, such as weaves and aromatherapy dolls.

In 2018, around 100 entrepreneurs along the Pehuenche Route were trained. In 2019, Enel Generación Chile will work with them on formalizing their businesses and selling their products.

## Sustainable Tourism



To exploit the touristic and recreational potential within its areas of influence and aiming at the social economic development of its inhabitants, Enel Generación Chile carries out projects that provide them with the tools for sustainable tourism entrepreneurship.

### Fostering tourism in the “El Barco” Pehuenche

#### Community – Ralco Power Plant

Enel Generación is encouraging ethnic tourism near the El Barco Lagoon. There, local entrepreneurs offer campgrounds, hiking and cuisine activities. The Company provides technical support to improve the infrastructure as well as training in tourism management in order to improve existing services and to energize the local economy.

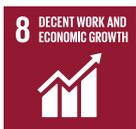
The projection for 2019 is to fund nine individual tourism projects, thus expanding the offer of tourism and cuisine in this zone.

### Protection and democratization of access to Rapel Lake

In 2018, Enel Generación maintained its agreement with CODEPRA17 to maintain at least a water level of 104 meters in Rapel Lake during the summer months to ensure optimal conditions for bathing and nautical activities.

The Company supported the trimaran entrepreneurship called “Trident,” of the Rapel Lake Nautical Foundation, to provide recreational and educational boating services. An agreement will be signed in 2019 to provide educational field trips for local children to teach them about hydroelectricity technology and the responsible use of energy.

The improvement of sewer systems and the construction of restrooms, benefiting **132** persons will enable the campgrounds El Barco to receive a sanitary certification in 2019.



**113**  
projects



**> \$11.000**  
An investment of (billion)\*



**~28.200**  
beneficiaries  
in 2018

\* This amount includes the investment in the “My Neighborhood, Our Neighborhood” project in Coronel

17 The Rapel Lake Development and Protection Association.





## Commitment to education



U.N. SDG 4 aims to guarantee inclusive, equitable and quality education and promote learning opportunities for all. One of its objectives is to ensure that students acquire the theoretical and practical knowledge needed to promote sustainable development. Enel Generación is a relevant player in the energy industry and has therefore implemented initiatives contributing to education through awareness raising, sensitization and the development of skills related to the world of energy.

In line with Enel Generación's commitment to access quality education, and as part of its environmental commitments, educational scholarships were granted to youths who lack the money to pay for their education, enrollment, housing, materials, clothing and transportation. These scholarships benefit students of all ages, in grade school, high school or college, promoting formal education in the communities where the Company operates. The Company invested more than 150 million pesos in 2018 to the benefit of 925 students.

## Pehuén Foundation

In 1992, the Pangué Hydroelectric Power Plant, a subsidiary of Enel Generación Chile, constituted the Pehuén Foundation to create programs contributing to local development and the conservation of cultural heritage.

Its Board is comprised of six community representatives whilst two other communities are invited to board meetings and participate in the Foundation's activities.

In the sphere of education, the foundation funds scholarships and lodging for Pehuenche youths to facilitate their access to higher education and thus, to the job market. In 2018, 75 students received this benefit totaling approximately 80 million pesos.



## Play Energy

Play Energy is an educational program held at schools to foster knowledge and creative use of electricity. Considering that schools help to shape their future, the purpose is to bring children closer to the energy world. The program is a complement to the sixth-grade curriculum. It invites students to compete in a contest where they work in groups of three to develop an idea with the help of

their teacher. Each team receives an educational kit. It contains tools that help them understand the use and applications of electricity and provides materials to the teacher for classroom work. The challenge is to design a project that promotes an innovative way of using energy. The evaluation guidelines take into account feasibility, creativity, consistency and teamwork.

Each year Enel proposes a specific subject for in-depth study. 2018 focused on the use of domiciliary electricity, mobility, in the city, in power plants and in the world.

94 schools from 59 municipalities participated throughout the nation, involving more than 3,000 students and more than 250 teachers. 174 initiatives were presented and three were awarded.





	1st place	2nd place	3rd place
School	D 133 María Elena – María Elena, Region of Antofagasta	Colegio Dagoberto Godoy – La Granja, Metropolitan Region	Colegio Polivalente Domingo Parra Corvalán – Coronel, Region of the Biobío
Project	Power Sun, a solar panel supercleaner.	"Efficient, inclusive wheel chair"	"A square for all"
Description	A machine that cleans solar panels using 5-volt photovoltaic panels designed from recyclable materials.	A wheel chair was adapted to be driven by a photovoltaic panel and protected by an umbrella.	Recondition exercise bicycles in public squares to use kinetic energy for fans and in community mini-orchards. The orchard produce will be given to low-income individuals.



> **15** projects
 > **> \$340.000.000** an investment of
 > **~ 4.700** beneficiaries in 2018



## Commitment to sports

Each year Enel Chile holds the Enel Cup to promote sports as a means for social development.

### Enel Cup

Initiated in 2001, the Enel Cup is a short-field soccer championship, which invites youths from 30 Municipalities in the Metropolitan Region, as well as from the Municipalities of San Clemente, Colbún, Lota and Concepción. Its purpose is to encourage the use of communitarian public spaces while fostering sports and healthy living among youths.

The Cup is organized in conjunction with the municipalities and takes place on the multipurpose fields lighted by the Company. During 2018, 1,413 boys and girls were able to demonstrate their soccer skills. The winners were rewarded with a trip to Milan, Italy, while second-place teams travelled to Rio de Janeiro in Brazil and third-place competitors to Buenos Aires in Argentina.





# Engaging the people we work with

## The value of our people

Under the Open Power vision, the People and Organization Division encourages the leadership and development of its people, promotes their professional growth and a balance between personal and working life in an open, inclusive internal culture that contributes to the business's competitiveness, progress and work for a more sustainable future.

### The people at Enel Generación Chile

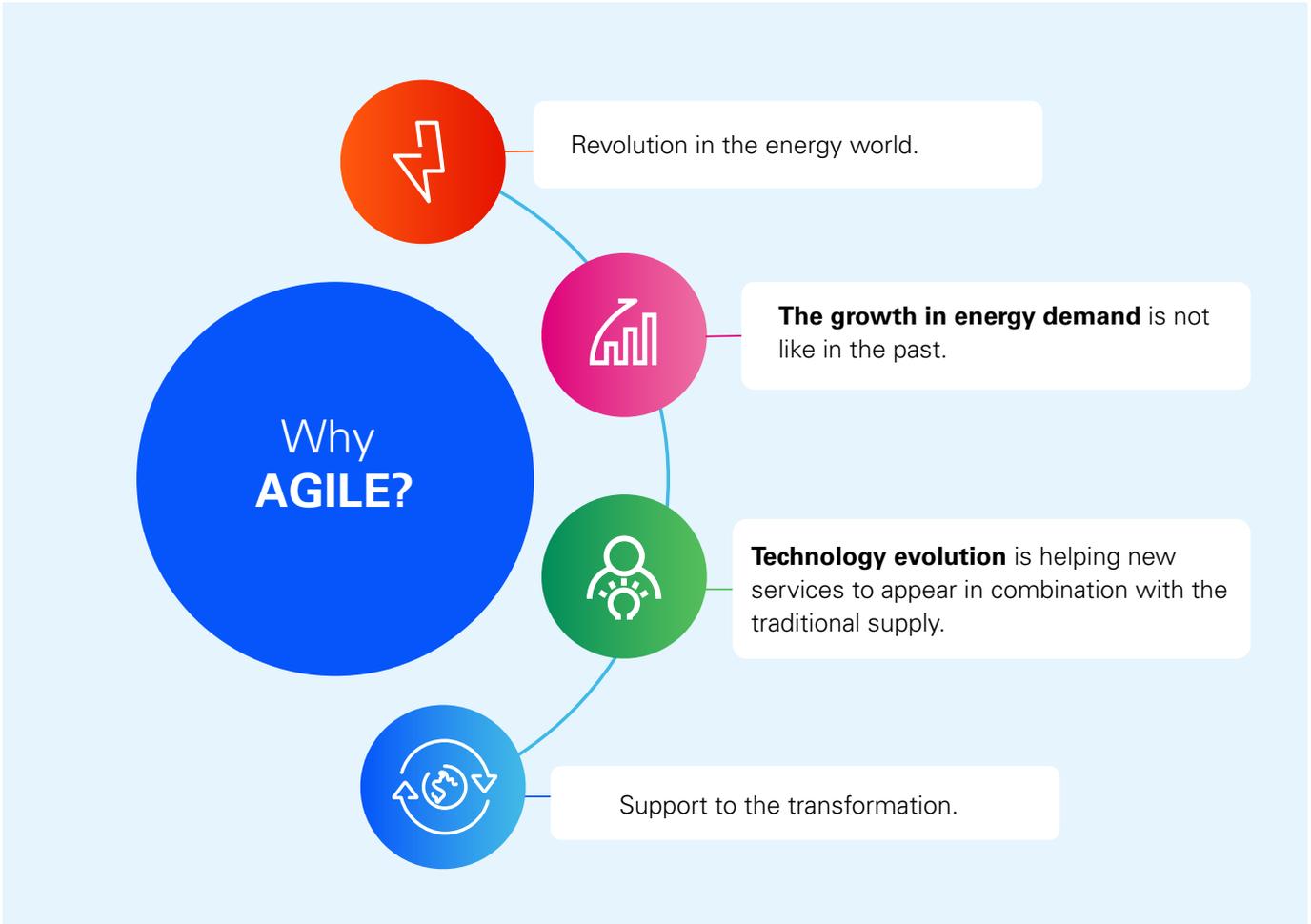
103-2 103-3

Enel Generación Chile and its subsidiaries employ a total of 767 collaborators, 12% of whom are women and 88% men.



Number of employees by category

	2016	2017	2018
Managers and senior executives			
Professionals and technicians	18	13	20
Collaborators and other employees	812	806	660
Total	53	29	87
<b>Total</b>	<b>883</b>	<b>848</b>	<b>767</b>



## Agile

Collaboration model based on openness and flexibility, and it is a way to experience the Open Power values and principles with colleagues.

The Agile method puts people into small, interdisciplinary, self-organized teams that perform incremental, iterative work sequences throughout a project. The customer is continuously involved from the onset. The model combines a methodological rigor in the everyday application of principles (see, for example, the values expressed in the Agile Man-

ifesto) and shared tools (like the Scrum Method) with an ongoing adaptation to the changing needs of customers and settings in the development of products and services from conception to sale.

This model facilitates and aids in changing and improving solutions, processes or systems that already exists on the market, in order to adapt them to new needs.

In 2018, an important group of employees participated in several initiatives to

explain the basic concepts, how this method works and to promote the use of tools in order to start Agile projects.

In 2019, work will be significantly concentrated on change management. Sensitization, motivation and formation will be involved, among other processes. The goal is to progress in making the use of this method widespread, thus leveraging the values, conduct, mentality and culture required to overcome the Company's challenges today.





## Diversity and inclusion

405-1

For Enel Generación Chile, having diverse teams and fostering an inclusive labor environment is essential to create a culture of innovation as stated in the Group's [Diversity and Inclusion Policy](#). This will facilitate an openness to other viewpoints that will enrich the work environment and add value permanently.

An important event this year was the Diversity and Inclusion Week, held to make people aware of, and give them an appreciation for, the different principles of the Group's policy. Each dimension is analyzed (Gender, Age, Nationality and Disability). The event involves informational sessions and activities so that participants can reflect on the main subjects involving diversity, experience what it means to put yourself in another's shoes through role-playing, and reinforce skills relevant to a greater inclusion.

1. Reject any form of arbitrary discrimination and ensure and promote diversity, inclusion and equal opportunities.
2. Promote and maintain a climate of respect for the dignity of people, honor and identity.
3. Ensure the highest standards of confidentiality of any information on the private life of workers to which there may be access.

### Strengthening the role of women



Each day the role of women in companies is becoming more relevant because of its increasing impact on the Company's performance. According to an Accenture study "When Women Grow, We All Grow," 18 women become more empowered when working in inclusive environments with proper leadership, policies and practices in support of both genders, where the different roles are aligned, and they make a greater contribution to organizations.

In this context, and in the goal of encouraging female participation in the Company, Enel Generación Chile has worked on building a cultural change by encouraging the hiring of women in positions traditionally held by men. This is accompanied by sensitization activities directed especially towards the leaders of the different areas to reinforce the importance and the benefits of including women in their teams. As a result, today about 12% of the collaborators in Enel Generación Chile and its subsidiaries are women.

Aware of the need for suitable professionals in each position while strengthening equal opportunities, measures have been adopted to create equality in recruitment and selection processes and in the development of the positions after hiring.

Along these lines, steps have been taken to guarantee an egalitarian representation of genders in the total population evaluated in the internal and external selection processes. The Company also offers job flexibility and is designing initiatives to promote a balance between family and working life of all its collaborators. It has established relations with universities and technical institutes to promote the participation and inclusion of female students, especially in technical areas.



Enel Generación			
	2016	2017	2018
Men	87%	87%	88%
Women	13%	13%	12%

18 Getting to Equal 2018, Accenture

## The value of the generational gaps

Enel Generación Chile has worked constantly on recognizing, respecting and managing generational gaps to ensure integration, motivation and knowledge transfer among all generations.



Number of employees by age range

	2016	2017	2018
Younger than 30 years of age	35	48	40
From 30 to 40 years of age	328	295	242
From 41 to 50 years of age	295	288	282
From 51 to 60 years of age	166	160	156
Older than 61 years of age	59	57	47
<b>Total</b>	<b>883</b>	<b>848</b>	<b>767</b>

In an effort to facilitate the entry of new people to the Company, and in line with the digital transformation, the new hires tutorial program was complemented by the global implementation of the Onboarding platform, where each new employee, prior to entering the Company, can get acquainted with its organization and functionality, in order to better prepare for their job and adapt to the work culture.

This personal and professional support, provided for a minimum of six months, is intended to help new hires simplify their new-employee experience, as well as supporting recruitment staff by managing the candidate's entrance in a digital, integrated and smart manner.

## An international view

Enel Generación Chile also developed a program to facilitate the integration of people of different nationalities. Each expatriate is assigned a tutor, who has the mission of assisting and supporting them in adapting to cultural differences and practices during their stay abroad. Three people were assisted by local tutors in 2018.

## Working with a disability



In furtherance of recognizing and managing everyone's skills and better addressing the Job Inclusion Law enacted in 2018, the Company prepared a record of disabled people and compiled information on their needs and aspirations. This information helped to give continuity to the changes being made in the Company's facilities to improve access to the cafeteria, restrooms and auditorium, to build ramps and to mark disabled parking lots and to add a Braille system in elevators, among other aspects.

In the spirit of creating synergy and understanding the vision and best practices of more than 30 organizations, Enel Generación Chile joined the Inclusive Companies Network of SOFOFA (REIN) and signed two shared-value agreements, one with the Duoc technical training center and another with the Telethon Foundation. Both in the aim of further developing Enel's employees and its contractors through formation, inclusion, applied research and innovation contests.

Additionally, during the year, the play "With Open Arms" was performed in parallel to a workshop called "In your shoes for a day". The effort was geared toward playfully educating the entire organization, sensitizing it to the reality of the disabled, and creating an inclusive awareness.





Enel Chile adopted the spirit of the Telethon and held a solidary crusade in all areas of the Company to unite the Company's energy and that of its people in achieving the goal. In 2018, Enel conducted a campaign called "Telethon Energy."

Twenty four ambassadors from Santiago and 17 from power plants participated in the campaign, organizing activities and motivating their colleagues. A total of 35 million pesos was raised by the Company's collaborators.

Some of the activities were:

- > The sale of ice cream, breakfasts, massages, hot dogs, sausage sandwiches and raffles
- > Typical Chilean activities and the sale of Chilean sweets
- > Jeans Day and Summer Day
- > A Paralympic table tennis exhibition
- > A chess event where people played all at once against the national champion
- > A flea market
- > An auction of autographed soccer jerseys

## Reconciling work and personal life



401-2

Maintaining a high level of commitment, motivation and satisfaction among collaborators is vital to give life to the Company's vision and achieving the strategic objectives of the business. Enel Generación Chile puts different programs and

benefits at the disposition of its collaborators to improve the work environment and encourage a reconciliation between their family and working life.

## Smart Working

A new version of the Smart Working program was launched in August 2018 thanks to which collaborators of Enel Generación Chile and its subsidiaries can choose one day of the week, from Monday to Thursday, to work from home or from any other place provided with a good internet connection and security standards.

134 people have currently opted for this benefit, which encourages different working styles and dynamics involving confidence, commitment, autonomy and responsibility.

## Make the best of your time

Since 2018, collaborators can take better advantage of holidays and "make the best of their free time." They can schedule, coordinate and save their time by leaving the job as many as 4 hours earlier in the day prior to the start of vacation and arriving as many as 4 hours later upon return, provided they make up for this time. Campaigns were held from May to December, 7 months of the year when there were holidays.



## Sports and cultural programs

Thanks to the Sports and Culture Extension Program, collaborators can participate in different initiatives that bring sports and healthy living to employees and their families.

Some of the most popular athletic activities are soccer, short-field soccer, basketball and volleyball, in addition to the tennis, soccer and skating schools for employees' children. Employees and their immediate family are also invited to art workshops, expositions, winter and summer camps, and family outings.

## Parenting Program

The Parenting Program encompasses several actions to accompany and help employees, both male and female, cope with parenthood. It teaches them to reconcile the value of being a parent with the needs of parents aspiring to grow in their profession.

The program accompanies women as they prepare for motherhood, offering spaces of reflection on the "new task of being parents," and supporting them during their pre-natal leave and subsequent return to the Company.

Health and welfare benefits include nutritional supplements for future mothers and a lactation room that they can use upon returning to work. Three women received prenatal and postnatal support during the year.

## Flexible working hours

This new confidence-based system gives people the flexibility to set their start time between 7:45 a.m. and 9:00 a.m. and move their departure time to later, provided they work the hours stipulated in their employment contracts. This helps better balance working life and family life.

## Quality of Life

Collaborators are at the core of the Company's strategy and operation, so guaranteeing their wellbeing is key to an optimal performance. For that reason, Enel Generación Chile has a benefits guide for its collaborators that explains the variety of activities available to them and their families.

## Corporate events

In an effort to recognize and reward collaborators' commitment to their jobs, each year the Company awards employees that have been serving for more than 20 years with the "Career Prize".

Enel Generación Chile also recognizes the academic excellence of employees' children in a special ceremony.

Finally, the organization holds different year-end activities to thank all collaborators for their commitment and efforts during the year. It is a moment when colleagues can enjoy entertainment and recreation. One of these activities is a children's party and another, the end-of-year party at the different companies and subsidiaries in the group.





## Climate survey

The bi-annual climate and safety study was taken to monitor climate management and the response rate was 92%. The results show very good or good perceptions above 84%.



### Enel Generación

63.2% % Very Good perception

22% Good perception

14.8% Bad perception

## Employee development

103-2 103-3 404-1 404-2

Enel Generación Chile is promoting different actions to permanently refresh and improve the training of its collaborators, people leadership and development, in the aim of creating career development possibilities within the Company and of increasing the possibilities of internal mobility.



Hours of training by gender

		2018	
Gender		Total	Average
Enel Generación Chile	Men	23,945	39.19
	Women	3,170	35.22
<b>Total</b>		<b>27,115</b>	<b>38.68</b>

### Management program “From leader to coach”

As part of the Leadership Model, this program develops skills, providing managers with the necessary tools to mobilize and prepare their teams to successfully confront the business’ challenges.

The program consists of a series of training stages and actions for the improvement of self-management and commitment towards personal growth. It helps them identify their strengths and opportunities in order to define the training and development actions in which they will participate:

- > People Management Workshops
- > ENEL Manager Leadership Course
- > Workshops
- > Task Forces
- > 360° Evaluation
- > People Management Indicators

38 managers at Enel Generación Chile attended the program during the year.

### Hydroelectric Power Plant Maintenance worker and Operator Training

The objective of this program is to broaden the technical competencies and know-how of the operators of hydroelectric power plants.

The program starts with an initial assessment of the employee’s skills, abilities and conduct in a setting of drills, simulations and case studies, complemented by theory

tests and on-site checklists reviewed by experts.

The conduct of people is evaluated by direct observation according to the Open Power Model. That evaluation provides practical information.

The assessment is used to define the courses that each employee should take, which are structured around four training points:

- > Production
- > Operation and Maintenance
- > Health, Safety, Environment and Quality (HSEQ)
- > Practical Experience (laboratory, hydraulic simulator and observation of shifts)

61 collaborators were evaluated in 2018 and they will continue with training in 2019.

### Procurement School

The Procurement School is a global initiative organized in collaboration with the European Institute of Procurement Management (EIPM). The objective is to improve the skills and competencies of the different professional roles and profiles in the procurement area.

The program began in June 2018 and will conclude in December 2019. There are around 37 in-Company programs around the world.





## Specialization Programs

In November, graduation ceremony took place for the Electricity Market Certification Program at the School of Economics and Business of the University of Chile. This program deepens into the characteristics and challenges of the electricity business. The third ceremony was also held for the Electricity Project Assessment and Management Program where the goal is to give participants the necessary tools to prepare an integral business plan and apply the techniques and methods for the preparation, economic assessment and management of investment projects.

These In-Company Diploma programs have been in place since 2011, training more than 300 employees thus far to date. In 2018, a total of 71 employees received their certificate, including 14 people from Enel Generación Chile who received a Diploma in the Electricity Market.

Since 2018, Enel Generación Chile also offers a diploma in Photovoltaic Power Plant Power Production, taught in conjunction with Federico Santa María University. 7 employees participated in 2018.

In the spirit of contributing to the professional development of employees, Enel Generación Chile implemented its annual Employee Scholarship Program (BET) by which it encourages higher education funded jointly by the Company and the employee.

## People development and motivation

103-2 103-3

Enel Generación Chile values and recognizes the work of its collaborators in different ways that strengthen, empower and reward a commitment to corporate values, initiative, participation and meritocracy.

### Performance evaluation

404-3

The Enel Group launched a new tool called Open Feedback Evaluation. It is based on the Open Power Model and aims to implant exchange and reciprocity among people sharing a work project and/or activity, regardless of their position or role.

On this web platform, any colleague may at any time give feedback to fellow workers, peers and managers, share compliments and explain opportunities for improvement in relation to any of the 10 Open Power behaviors.

This tool was widely publicized in the Company prior to its pilot launching in Chile, and more than one-half of the people involved attended three training sessions on using the platform. The pilot tool was launched in Chile between August and October, to be used by 200 members of staff.

Through 2018, collaborators were evaluated by means of a Performance Appraisal that looked at the performance of each in terms of the 10 behaviors required by the Company. All employees were evaluated in 2018.

### Acknowledgement programs

Under the Our Recognitions Program, the collaborators of the Company honor and promote good initiatives and/or practices the categories of Contributions and Attitudes that create value, as well as good work practices implemented by their colleagues.

Initially, candidates are evaluated by the business line managers and staff in coordination with the business partners. In the second phase, the winners are selected by the Chile Committee, chaired by the country manager, based on their contribution to creating value for the Company, the number of areas and/or people involved in the implementation, and the feasibility of replication.

In the "Attitude" category, the way people work is rewarded based on a public assessment by fellow workers. There are 7 categories and a total of 54 people received recognition. This year the categories rewarded were: Being Open Power, Being Safety, Being Digital and the Group's Values: Trust, Innovation, Proactiveness and Responsibility.

## Internal mobility and promotion

401-1

Enel Generación Chile values meritocracy and the advancement of collaborators within the Group. So, it promotes professional growth and merit-based promotions to offer local and international job opportunities within the Group.



Enel Generación	2018
Employees hired during the year	19
Employee turnover	2.4%
% Internal mobility	2.4%

## Always connected

In the effort to maintain a fluid communication with all collaborators, the People and Organization Division (P&O) uses different means to keep everyone apprised of the main activities relating to people management, new hires, ap-

pointments and new editions of regulatory documents.

Upcoming events and the main initiatives under way are publicized through the new "Weekly Agenda" initiative and

the corporate intranet. This is complemented by the My Enel site where people can download or open applications and read relevant information.

## Labor and union relations

102-41



	Workers affiliated to collective bargaining agreements		
	2016	2017	2018
	%	%	%
Enel Generación Chile	71%	73%	77%

These figures differ from previous reports due to changes in criteria and inadvertent omissions.





# Growth across low-carbon technologies and services

## The global challenge of reducing carbon emissions: from COP21 to COP25

102-12

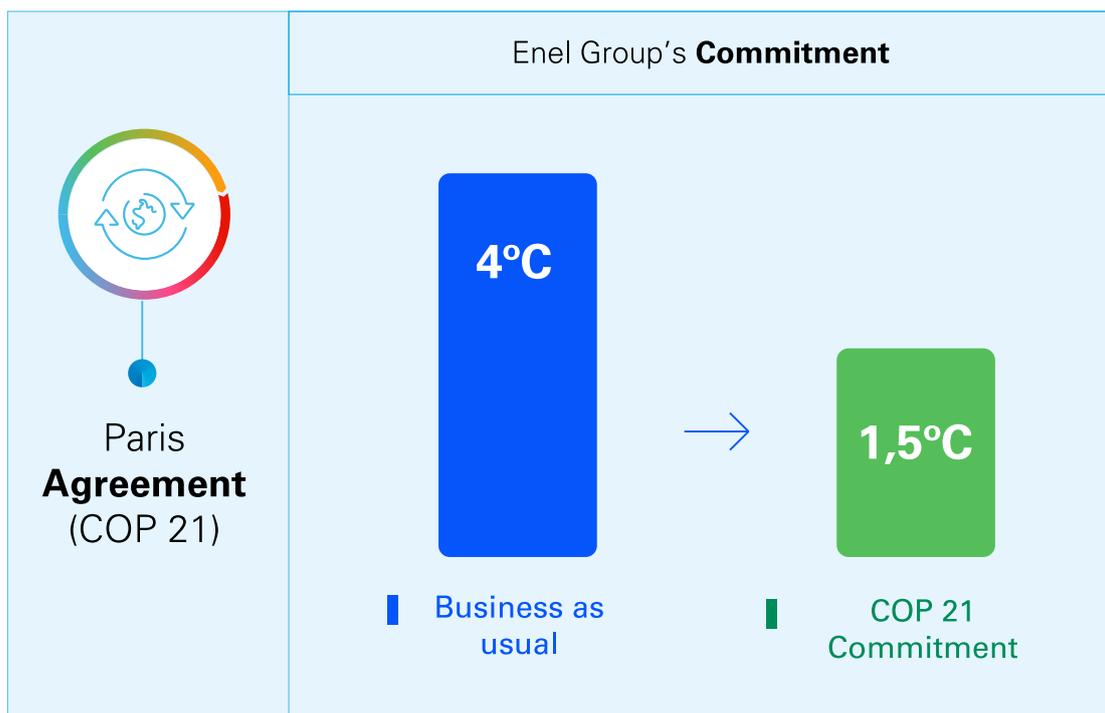
COP21 was held in Paris, France, in 2015, which resulted in the “Paris Agreement” by which 197 member states adopted a commitment to take all actions necessary to combat climate change in the aim of keeping global warming below 2°C by 2030.

The technical discussion progressed at the COP22 held in Marrakesh, Morocco, in 2016, where the emphasis was on how to put the Paris Agreement into practice after 2020 and how to secure a

greater political commitment on the part of the Agreement signatories. Short-term tools were debated as well as the necessary long-term investments, emphasizing a transparency in the monitoring and reporting of emissions and their verification and evaluation standards to define new goals.

COP23, held in Bonn, Germany, centered on analyzing financial commitments, skills development and technology transfer worldwide.

COP24 was held in Katowice, Poland, in 2018. There the “rule book” was approved for implementation of the Paris Agreement. The document sets down the willingness of participant nations to further the agreement despite uncertainty about the economic cycle and the complex geopolitical scenario. It established guidelines to put the global commitment into practice, which enters into force in 2020.



## Energy transition towards a decarbonized matrix

The Enel Group is committed to furthering the global goals, so it made the decision to implement quick and effective transformations to transition towards a carbon-free energy matrix by 2050.

Locally, among the 10 mega-commitments in the 2018-2022 Energy Route

promoted by the Chilean Government is the objective of beginning the decarbonization of the energy matrix by developing a removal timetable for, or by reconverting, coal-fired power plants.

In this context, Enel Generación Chile became an active member of the technical committee led by the Ministry of Energy that will set a gradual scheduled stop calendar for power plants that do not have a carbon capture and storage

system. The objective is for only 25% of Chile's energy to be generated by coal by 2030 and the rest by renewable energy sources.

In this scenario, great efforts are required by all stakeholders involved, exhaustive closing plans, and many different types of training to adapt to the use of renewable technologies to accelerate the energy transition.





# Asset optimization and innovation

103-2 103-3

A robust electric infrastructure is fundamental to developing a diversified energy matrix. To move forward in the energy transition toward a zero-emissions setting, we must make the energy matrix flexible and have resilient digital networks.

In this context, in line with the Group's strategy and the Government of Chile's Energy Route, Enel Generación Chile has decided to make optimizing assets one of its strategic priorities. Through innovation, it plans to operate digitally integrated power plants capable of optimizing processes and making well-informed decisions based on data analysis.

Special care must be taken not to impact the environment. We must focus efforts on an efficient use of resources and maintaining a harmonic relationship with the natural and social environments.

Enel Generación Chile has gradually added unconventional renewable energy sources. It has made great investments to make the matrix more flexible and implement improvements in existing power plants. The goal is a greater generating efficiency to improve its power plants' performance.

Significant progress was made in 2018 in the digitalization and automation of generation assets to ensure and strengthen the performance of plants and of distribution networks.

## Smart power plants

Telecontrol and predictive maintenance are among the main initiatives in the area of generation. To reduce maintenance costs and potential outages, early prediction models were implemented that use artificial intelligence algorithms to measure, monitor and forecast the different variables that indicate that maintenance is needed. The Company is thus transitioning from preventive maintenance to predictive maintenance using data analysis to predict failures and adopt measures that avoid or minimize their impact at an early stage. As a result, the Company can allocate resources more efficiently and extend the periods of availability of power plants.



## Automation

### In operations

#### KOOS at the Sauzalito hydroelectric power plant

In the aim of promoting a responsible use of water, Enel Generación Chile has worked on optimizing the efficiency of the turbines at its hydroelectric power plants. It has introduced a novel system that reduces on-site inspections and minimizes idle periods.

The Kaplan Online Optimization System (abbreviated as KOOS) was installed at the Suazalito Power Plant, specifically to identify an optimal equilibrium between the shovel and the gate under real operating conditions, which significantly improved the use of water.

A flow and vibration measurement system was implemented with sensors in the adduction and discharge. Finally, the algorithm was deployed in conjunction with Reivax to predict the operating parameters of the Kaplan turbine and increase the plant's efficiency.

### In maintenance

#### Moving from preventive maintenance to predictive maintenance

The San Isidro and Bocamina thermoelectric complexes were connected to servers in 2018 to feed the PRiSM model, a remote predictive analysis system that detects opportunely deviations in the operating parameters of the main equipment comprising thermoelectric power plants. The Atacama and Bocamina II power plants were, alternatively, connected to the PREDIX system that uses operating data to predict eventual failures and the most suitable times for a maintenance activity to be efficient and profitable.

These activities will help reduce costs and idle time and increase the availability of the power plants.

#### Bocamina Power Plant

The Bocamina power plant is the most vanguard thermoelectric plant in Latin America and it is operated using the best technologies available. In order to improve the plant's availability, initiatives were carried out in 2018 to optimize the maintenance and operation of the coal milling system, to optimize critical spare parts management, and to conduct root-cause analyses of limitations and recurrent failures so that they are handled more efficiently and quickly.

#### HYPER (Hydro Power Efficiency Revolution)

This is a global initiative to change the operation and maintenance strategy of hydroelectric power plants in the search for a large-scale optimization that involves a sensitivity analysis of capital costs and operating costs. The project celebrated its first anniversary in 2018. In Chile, HYPER entailed diverse actions, such as a change in maintenance strategy (centralized operation), a change in the procurement strategy, and investments in automation and operator training.

All hydroelectric power plants were automated to recondition them for full-time remote operation, in compliance with the Company's digitalization strategy.

This project will also produce data for use in historic analyses in order to reduce corrective and preventive maintenance, increase energy availability, and steer plants toward the best operating practices based on the optimal conditions for each task performed by the system, among other gains.





## Robotics as applied to management

### The “Alas” project: drones to monitor thermoelectric power plants

We continued working in 2018 on training and certifying 20 new drone pilots for the different power plants in conjunction with the General Civil Aviation Board (DGAC). Nine new drones were equipped with software, to manage the application (PIX4D). The objective is to take advantage of the latest technology to prepare a real-time risk map and quickly detect contaminants through photogrammetry.

### Hydrobotics

In line with the digitalization strategy, different Hydrobotics Technologies Concept Tests were performed at the hydroelectric power plants on using robotics to improve inspections, measurements and the compilation of information.

Some of the main technologies validated were ROV (remotely operated submarine vehicle) for underwater inspections. This vehicle can visually inspect civil works, such as walls, grates and catchments, which will increase safety and optimize times and costs. The ROV can also visually inspect sites that were previously inaccessible.

Projects were also evaluated to eliminate reservoir sediment and thus optimize the efficiency of turbines while minimizing machine downtime. Satellite images were used to monitor civil works and the slopes of reservoirs.

The validation of the technology, the satisfactory results and all the benefits obtained were shared with the global innovation areas. These projects are now a part of the RoBoost program that encourages the use of robotics in the different power plant power generation processes.



## Power plant telecontrol

During 2018, Enel Generación Chile became a leader in the industry thanks to the telecommand project for renewable energy power plants. This project centralized the operation of an installed capacity exceeding 3,500 MW.

The project is now in its second phase and is providing an integrated vision of the entire system. Generation optimization criteria can be applied using ABB's PGP Control System to gather information from the Zonal Exploitation Centers (CEZ) and deliver it to the National Exploitation Center (CEN) located in Santiago.

The first phase, begun in 2009, was carried out at the Pehuenche CEZ in the Maule Region, including both its two units and the Curillinque and Loma Alta power plants. In the second stage, the Los Molles, Rapel, Sauzal, Sauzalito, Cipreses, Isla, Ojos de Agua, Pangué, Antuco, Abanico, El Toro and Palmucho plants were added. The Ralco power plant was incorporated in 2018.

On the other hand, the control systems and SCADA systems allow the management of the plants' digital information, which is essential to the analysis of the data and status of components, equipment and systems. Automation has been installed to support and improve operations so that critical activities can be performed automatically and operators can carry out semi-automatic activities with a greater level of information available in real time.

## Digital solutions

### Real-time 4D risk map

In the goal of simultaneously detecting the interference occurring in the Quintero Power Plant, in 2017 Enel Generación Chile worked on preparing 4D risk maps that entered into the final stage, connection via smartphones and GPS to the IP operating systems—the platform used for real-time monitoring—, in April 2018, thus facilitating remote management integrated to the rest of the system. At the same time, a tender was called to implement this project in all of the thermoelectric power plants of Enel Generación Chile.

### Virtual support for thermoelectric power plant suppliers

The Procurement team found that the requirement of site visits during bidding processes led to an average delay of 10 days. This caused significant delays and increased the response times and the prices in each tender. Innovación Térmica therefore developed the "Virtual Visit" project where a live video presentation is made of the power plant so that the contractors can view the aspects required for the tender. By the end of the year the system has been implemented in 4 plants and 38 virtual visits and 2 technical inspections were carried out.





# Open Innovation and digitalization

In a changing society where technology and cultural transformations are taking place very quickly, innovation is fundamental to responding to stakeholders' expectations. In this context, the Company has defined innovation as one of its strategic pillars and has established a symbiotic relationship between sustainability and innovation under the concept of innovability.

For Enel Generación Chile, innovation is and must be shaped from a broad perspective, with an openness towards internal and external stakeholders. This is accomplished through the Open Innovation model where the goal is to create an innovation ecosystem to overcome challenges in the business and the environment.

## Encouraging a culture of innovation

Enel has established two areas of work to build up a virtuous ecosystem that promotes collaboration: the Idea Hub and the Innovation Hub.

**Innovation Hub:** The purpose is to capture ideas of customers, collaborators, suppliers and startups to put innovative solutions into practice that will contribute to a sustainable development of the business.

**Idea Hub:** It is focused on a culture of innovation and corporate entrepreneurship. It is an innovative alternative for resolving business issues and its goal is to promote and disseminate culture, knowledge and conduct in relation to innovation and intrapreneurship, and to assure the involvement of all workers and the integration of the businesses.

The Company wants to use this open model to give stakeholders a voice by means of the Open Innovability crowdsourcing platform. There, everyone can propose sustainable innovation projects or solutions to the challenges being faced by the Group.

### *Enel Santiago Innovation Hub*

This is an international network connecting the main players in innovation ecosystems, such as incubators and business accelerators, venture capital funds and entrepreneurs. The target is to solve problems by intercepting innovation in places and communities where it is being originated.

Scouting is one of the tasks where Enel Generación looks into technologies and business models of interest to the Group, ranging from smart grids to artificial intelligence, from e-mobility to the internet of things. The selected innovation projects are technically and economically supported and then implemented in Enel's companies. The projects are eventually scaled to all companies in the Group to promote a reciprocal development of Enel and its subsidiaries and of the particular startup.

Some of the main actors now collaborating with the Enel Santiago Innovation Hub are:

- > **NXTP Labs:** An Argentinian business accelerator and investment fund with a regional presence. Since October 2018, it is a Scouting Partner that supports the entire search and selection process of startups that are added to the different business lines.
- > **Start-Up Chile:** It is the main business accelerator in Latin America and it has the largest project portfolio in Chile. Under a collaboration agreement, the co-working space of Start-Up Chile is occupied by Enel Generación Chile and its subsidiaries, where they work to connect to startups and entrepreneurs in the local ecosystem.
- > **CasaCo:** This is a collaborative work space to strengthen startups and businesses working there. During 2018, Enel Generación Chile and its subsidiaries were the main sponsors of "Summit Encounters," where the leading entrepreneurs and startups in the ecosystem met to discuss subjects such as Artificial Intelligence, Renewable Energy, Smart Cities and Smart Homes.

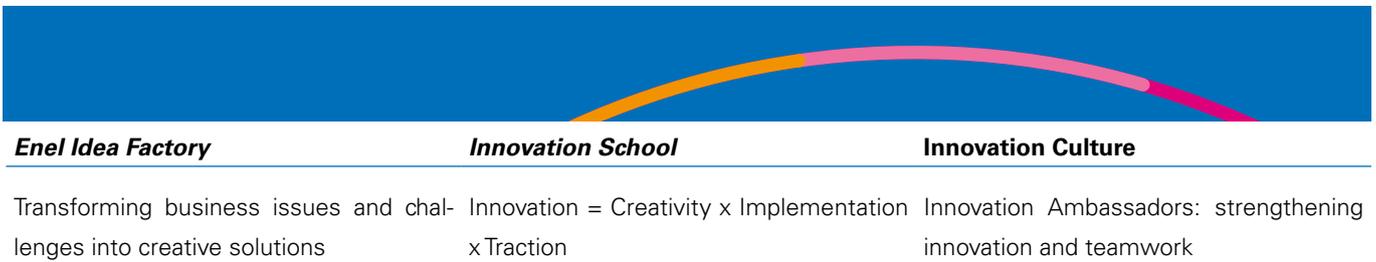
# Cities home to Innovation Hubs



## Idea Hub

The Idea Hub stimulates a culture of innovation among collaborators and drive the creativity of technical and professional teams who are given the tools and opportunities to develop their abilities.

The Hub works on several fronts: Enel Idea Factory + Innovation School + Innovation Culture



Idea Hub encourages creativity and innovation in collaboration with, and integration to, the businesses. It accomplishes this through multidisciplinary teams, often led by Innovation Ambassadors who add, each in their area, important points of view, knowhow and new ways to confront problems.

Creativity is contagious, as is enthusiasm and the necessary motivation to go beyond the barriers of the obvious and lead a change.

Idea Hub helps our lines facing a business problem find the new ideas and inspiration they need. Preparation, commitment, excitement, intuition and imagination are essential to achieving powerful outcomes.

Idea Hub invites collaborators to:

**Discover** their creative potential and that of their teams.

**Create** their strategy differently.

**Develop** change.





## Innovation initiatives

There are global initiatives to motivate an internal cultural change and the participation of employees in the different lines of business. To name a few: Gxcellence and Hydro Bottom-Up, which facilitate exchanging ideas and designing solutions to the challenges faced by the industry.

### Gxcellence: capturing ideas on thermoelectric power plants

Innovation has become particularly important in the energy transition towards a carbon-free matrix. The goal is to digitalize and optimize the way we work and encourage collaborators to follow this process of adaptation and change by creating room for creativity.

Gxcellence is a worldwide program to encourage innovation by capturing new ideas and, as a result, improve the work climate. The Operational Performance Innovation Area (OPPO Innovation) and all of the Company's thermoelectric departments are in charge of implementation. Participants submit projects in categories like continuous improvement and innovation.

The program captures ideas on innovation and continuous improvement. Employees submit projects to a committee that evaluates the technical and economic feasibility of the proposals.

In 2018, the plants of Enel Generación de Chile submitted eight ideas, the largest number in Latin America.

### Hydro Bottom Up Innovation; captura de ideas en centrales hidráulicas

The purpose of this program is to compile innovative, vanguard and original ideas to improve operation and maintenance, security and environmental management of plants and to promote new technologies and business models.

A group of experts evaluates the proposals on the basis of the innovation, sustainability, and technical and economic viability of the ideas. The most promising may possibly be scaled globally.

## Objectives

- > **Fostering** creativity by providing the opportunity to share personal experiences, an innovative idea or a suggestion on innovation that may be applicable worldwide.
- > **Rewarding** excellence and sharing the best ideas.
- > **Reinforcing** motivation and the sense of belonging, and discovering talent.
- > **Inspiring and motivating** by appreciating and rewarding to the most creative employees from a "bottom-up" approach.

## Idea capture program in an alliance with Santa María University

The International Institute for Entrepreneurial Innovation, 3IE, a business incubator of Federico Santa María Technical University, began as a dynamic proposal to take maximum advantage of opportunities and resources present in the environment in which innovation and entrepreneurial spirit are found. The objective is for entrepreneurs and research associates to achieve their maximum potential.

3IE offers Booster Up, one of the most important innovation programs for the industry in the nation. 3IE has imparted the program four times in Chile and once in Peru in which more than 20 businesses participated and more than 20 innovation challenges were analyzed.

## Cybersecurity Management

Big data and the increasing use of the cloud, social and mobile networks, added to greater cybernetic threats, reinforce the relevance of information privacy and security. The critical infrastructures must be protected from events that could harm their operation.

Adopting an integrated and collaborative cybersecurity model is now a necessity to ensure the privacy of the information on the Company and its customers given the evolution of the Enel Group's businesses in a setting where power plants are characterized by a great interconnection and automation, a huge quantity of data is stored in the cloud, and there is a progressive digitalization of distribution networks.

The Enel Group has a Cybersecurity Framework policy where the goal is to direct and manage all digital security activities with an across-the-board participation of all areas of business pursuant to the local regulations in the territories where it operates.

The approach behind the cybersecurity strategy is global, holistic and risk-based. Starting with the design, systems and applications are analyzed to increase the ability to respond to cyber-attacks.

One of the most critical factors is our people, vulnerable to cyber-attacks. Therefore the Company has implemented an appropriate sensitization and prevention processes within the organization.

## Cyber-attack prevention and monitoring

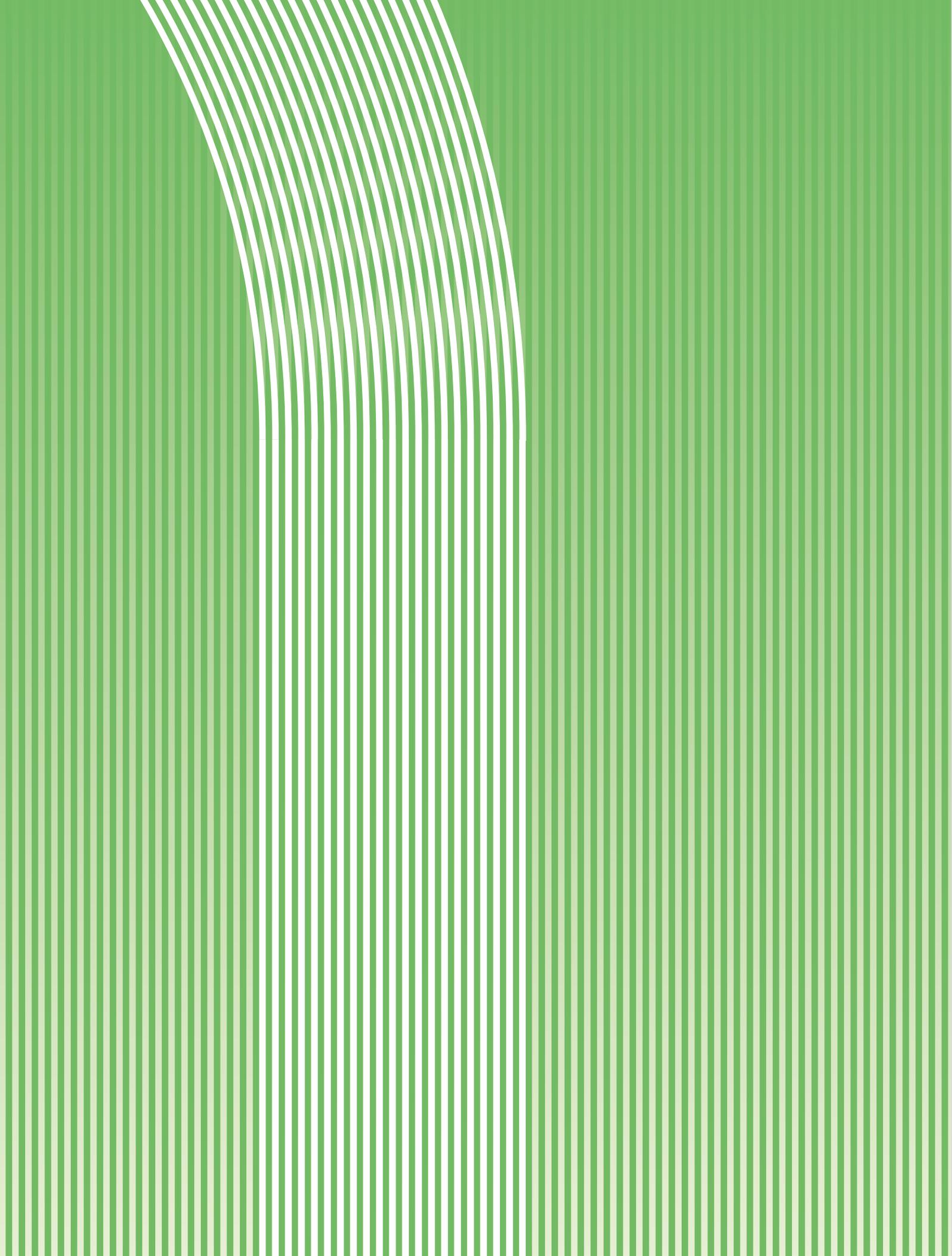
Cybersecurity is managed by the Computer Emergency Response Team (CERT) of the Enel Group. It is comprised of a group of experts who manage cybersecurity incidents. There is ongoing communication with the CERTs in each territory enabling synergy and collaboration among all countries.

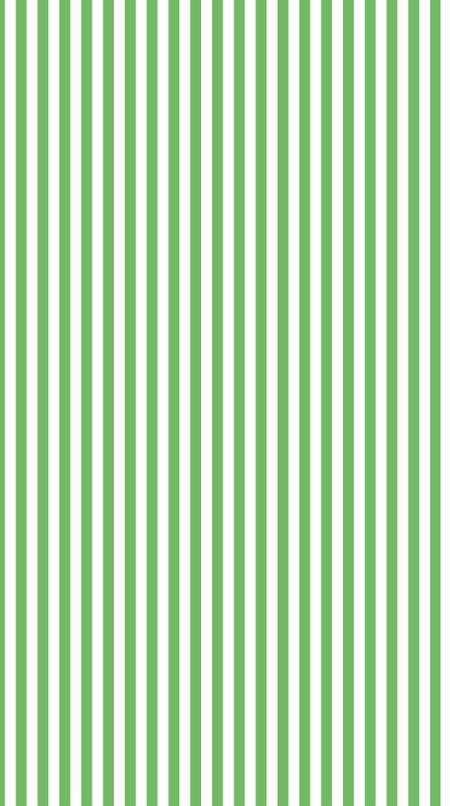
CERT designs the strategy to prevent and stop cyber-attacks against industrial

and digital assets and the Group's critical infrastructure. Analysts continuously monitor risky situations in the control room and should an incident occur, they coordinate the response with all departments in the group in each territory.

CERT is active in eight countries, including Chile, and its mission is to support and protect Enel from cyber-attacks that may jeopardize its operation. It has more than 20 cybersecurity analysts and at least one is assigned to each of the companies where Enel operates.







# 03

Enel's  
backbone



# Corporate Governance

## Internal auditing



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The Internal Control and Risk Control System and its alignment with the business model constitute one of the main factors in Enel Generación's success.

The Internal Audit Division must objectively and independently guarantee the efficiency and effectiveness of the internal control and risk management system. Given its nature, the Internal Audit Division reports directly to the Board.

This division conducts audits to evaluate from time to time the performance of the Company's operations from a risk-based approach and to determine where there are areas for improvement. It helps devise action plans with the process owner to strengthen the Internal Control System. The results of each audit and the tracking of action plan implementation are reported regularly to the Board of Directors. The Board directly supervises that improvement actions have been concluded appropriately.

Each audit includes control activities associated with the Criminal Risk Prevention Model (MPRP). That Model meets the requirements of the Crime Prevention Model stipulated in Law 20,393, and it encourages the adoption of best international practices to prevent and detect potential risks of wrongful acts, fraud and any action that may conflict with the ethical principles of the Enel Group.

## Ethical standards and behavior

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Enel Generación is fully committed to complying with its ethical standards and behavior and with the law applicable in each of the territories where it operates, both in-Company and externally with other stakeholders. Transparency and ethical conduct are an integral part of the values that build trust and responsibility with all our stakeholders.

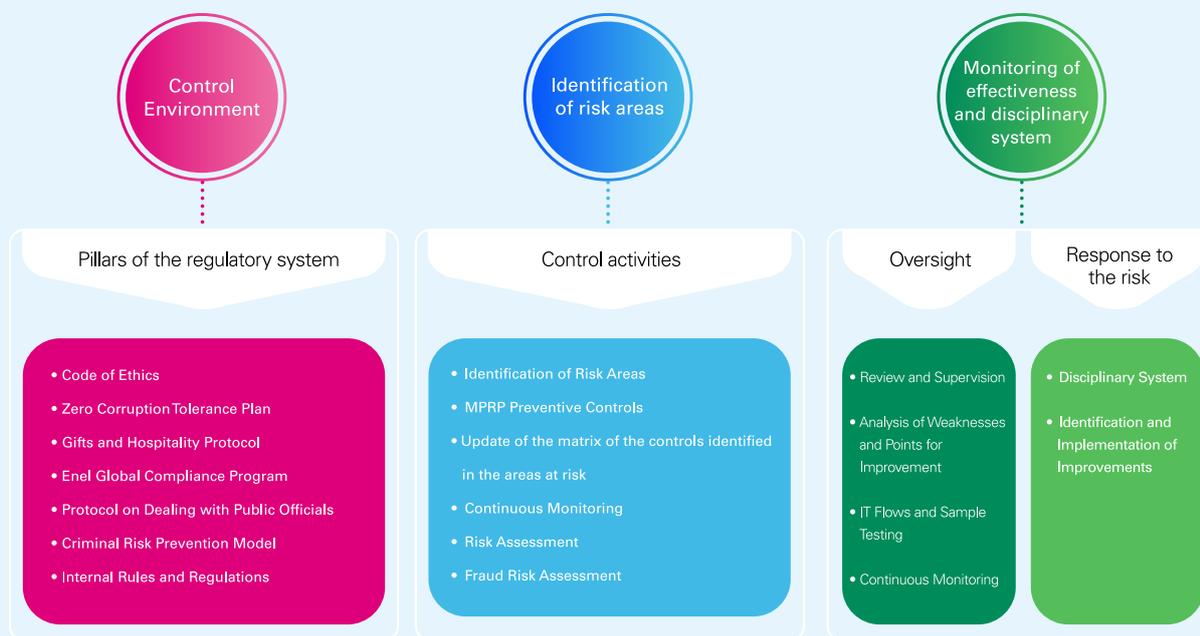
The Companies have a Code of Ethics to guide the actions of the boards of directors, managers, employees and workers with whom there is an occasional or temporary contractual relationship. The Code explains the commitments and ethical responsibilities in managing the businesses and business activities.

The Board is responsible for the observance of ethical standards and for criminal risk prevention within the Company. It delegates that monitoring and management to the Internal Audit Division.

To avoid conflicts of interest, the Company abides strictly by the Law on Public Companies. Some of the requirements imposed by that law are independence and zero conflicts of interest. The Board has also voluntarily adopted General Rule No. 385 of the Securities and Insurance Commission (SVS), now called the Financial Market Commission (CMF). According to that Rule, an outside expert is appointed to detect and implement eventual improvements and to indicate areas where operations can be strengthened.

The Code of Ethics consists of 16 principles that define the benchmark values, such as impartial decisions, honesty, integrity, correct conduct in the face of potential conflicts of interest, information confidentiality and fair competition.

## Model elements



## Compliance system

The purpose of the compliance system is to facilitate long-term relations with stakeholders based on trust. It is the basis on which the Enel Group opposes any form of corruption, be it direct or indirect, and any other type of crime or inappropriate conduct. This includes all its processes, places of operation and stakeholders.

The system is grounded on the Criminal Risk Prevention Model (hereinafter MPRP), constructed on the basis of the Company's Zero Corruption Tolerance Policy and Code of Ethics. Its objective

is to control and prevent crimes inside the organization and ensure compliance with regulations as well as transparency in the actions of all companies in which Enel Generación has a majority interest, exercises control or is responsible for its administration, which is the case of Enel Generación Chile.

The MPRP is composed of several specific programs. The MPRP and the Enel Global Compliance Program take into account local laws, mainly Law 20,393<sup>19</sup>, and the highest international standards, such as ISO 37,001, the Foreign Corrupt Practices Act (USA) and the Bribery Act (United Kingdom). Additionally, the Company included the definitions of the U.N. Global Compact and the U.N. Sus-

tainable Development Goals.

The Board of Directors approves the programs comprising the compliance system and entrusts their management to the crime prevention officer. The internal and external implementation of these programs is evaluated and monitored on an ongoing basis through annual plans, following the "Compliance Road Map."

The Criminal Risk Prevention Model of Enel Generación was re-certified in 2018. That certification accredits and objectively evaluates the prevention system adopted and implemented by the Company according to the requirements in Law 20,393.

<sup>19</sup> Chilean Law 20,393 stipulates that legal entities are criminally liable for asset laundering, terrorism financing, bribery, concealment, private-to-private corruption, misappropriation, conflict-of-interest business transactions, and management fraud.





#### Main documents comprising the Criminal Risk Prevention Model

- > Code of Ethics
- > Enel Global Compliance Program
- > Zero Corruption Tolerance Plan
- > Protocol on dealing with public officials and authorities
- > Protocol on accepting and offering gifts, presents and favors
- > Internal Regulations on Order, Hygiene and Safety
- > Conflicts of Interest Management Policy
- > Policies on retaining and managing consultancy and professional services
- > Donations policy
- > Tender and procurement policy
- > Reporting policy

## Supply chain compliance system

The providers of services and employees of contractors adhere to the compliance rules through General Contract Conditions that include the Code of Ethics, the Zero Corruption Tolerance Plan and other compliance documents of the Enel Group. Enel Generación Chile promotes crime prevention and the fight against corruption through specific training of its supply chain based on the type of business, in addition to ongoing monitoring.

The Board of Directors of Enel Generación Chile must approve transactions with Politically Exposed Persons (PEP) and Individuals closely connected to a PEP (PEPCO). Moreover, once a year all suppliers are assessed according to internal policies and the results are reported to the Board.

The Enel Group has specific procedures for retaining consultants and professional services to guarantee their suitability.



## Certification under ISO 37,001, the Anti-Bribery Management System

As part of its commitment to implement the best practices worldwide, in 2018 Enel Chile and Enel Generación Chile received the ISO 37001:2016 certification for their anti-bribery management systems.

This standard specifies several measures to help organizations prevent, detect and confront bribery and explains the voluntary commitments assumed by Enel.

This certification strengthens the confidence of stakeholders in Enel Generación, which became the first Company in the Chilean electricity sector and, together with Enel Américas, the first Latin American companies traded on the New York Stock Exchange to receive this certification.



## Compliance Road Map

103-2 103-3

The objective of the medium-term activities planned for 2018-2019 was the management of the risk matrix and control of the associated processes, in addition to developing specific initiatives to improve the Group's compliance standards in its relationship with important stakeholders.

**Enel Chile**

The objectives of the medium-term activities planned for 2019-2020 are to reinforce the Company's Compliance Model and System and develop specific initiatives for the engagement of important stakeholders according to the Open Power Model.

<p><b>Community &amp; Customers</b></p>	<p>Convey the Enel Group's commitment to its regulatory compliance programs to the community and customers.</p>
<p><b>Suppliers &amp; Contractors</b></p>	<p>Transfer the culture, values and commitment to ethics and compliance to our counterparties by working jointly to establish and strengthen good practices.</p>
<p><b>Institutions &amp; NGOs</b></p>	<p>Develop and share ethical, compliance and anti-corruption practices with government agencies and civil society.</p>
<p><b>Our Peers</b></p>	<p>Identify the best practices in the electricity industry and other markets and promote in-Company the adoption of the Enel Group's standards.</p>





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In 2018, compliance focused on the identification and early mitigation of the risks of corruption, more specifically on potential conflicts of interest and on ethical behavior in all processes. The following tools were used:

- > **Fraud Risk Assessment (FRA) Matrix:** This assessment tool was used to evaluate the risk of corruption in all of the business units of the Group. The tool identifies and evaluates any type of potential fraud within the organization. It was designed in line with the Audit Risk Assessment. The process is digitally supported by the Sales Force platform, which makes processes more visible internally.
- > **Assessment of the Risk Matrix for the Criminal Risk Prevention Model:** Evaluation of specific infringement risks of Enel Generación according to

Law 20,393. Each of these risks has a specific compliance system according to local laws, and in 2018 documents, risks and controls were updated to take into account the broader scope of Law 20,393, which added four new crimes for which legal entities could be criminally liable.

- > **Risk Assessment Matrix:** This is used to evaluate the risks in all of the processes of Enel Generación following the C.O.S.O method,<sup>20</sup> the main international standard on the subject.
- > **Ethics channel:** The Company keeps this channel open to all its stakeholders. It guarantees confidentiality, no reprisals and anonymity to its users. An outside entity manages the channel independently.

## MPRP Training

Enel Generación Chile maintained its communications plan and training plan intended to disclose the main aspects of the compliance program and to strengthen the culture of workers and suppliers. Those plans include internal and external activities, in particular the induction of new hires, who receive specific training in the Enel Generación Chile compliance system.

In 2018, nineteen training sessions were held, attended by 284 people, in addition to 31 communication activities focused on preventing corruption, on the use of the ethics channel and on understanding the Company's compliance system. Informational videos were used, personal deliverables, posters and interventions in common spaces. An online course is also available to all collaborators that addresses the contents of the Criminal Risk Prevention Model.

<sup>20</sup> Committee of Sponsoring Organizations of the Treadway Commission.

## Ethics channel

The reporting channel, put into place by the Internal Audit Division but administered externally, allows to report any irregular conduct that violates the principles in the Criminal Risk Prevention Model, the Code of Ethics or involves other matters relating to accounting, control, internal auditing or crimes, such as asset laundering, terrorism financing, bribery, private corruption and concealment.

This channel is governed by the Global Policy 107 on Whistleblowing which guarantees anonymity, protection against reprisals, and protection against dishonest reporting.

In 2018, part of the communications and training management focused on strengthening the use of the ethics channel. Advertisements were posted and individuals received training to show its usefulness and how collaborators should take advantage of it. The

understanding of this channel was also reinforced at supplier events by means of promotional materials.

The channel, available in the corporate website, and accessible by internet, telephone or written, received eight complaints in 2018, this is 14% more than in 2017 (7). It allowed the detection of one infringement of the Company's Code of Ethics by a supplier.

## Where can you report a violation?



Corporate Website	
<a href="http://www.enelchile.cl">www.enelchile.cl</a>	
<a href="http://www.enelamericas.com">www.enelamericas.com</a>	Right menu / Ethics channel
<a href="http://www.enelgeneracion.cl">www.enelgeneracion.cl</a>	
Internet	
Directly	<a href="https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html">https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html</a>
In person or in writing	
Enel Chile	Internal Audit Division, Santiago, Santa Rosa 76, 9th floor





The Enel Group has a Whistleblowing policy that arose from the spirit of regulating the receipt, analysis and handling of reported conduct and practices that potentially violate Enel's Compliance Programs.

- The Channels** ensure
- Anonymity
  - The protection of confidentiality
  - Security
  - Protection against retaliation/reprisals



**The audit division** conducts a preliminary analysis



**Closed reports record**

Disciplinary system, implementation of improvements and report to the Board of Directors



**The report is filed**

# Creation of economic value

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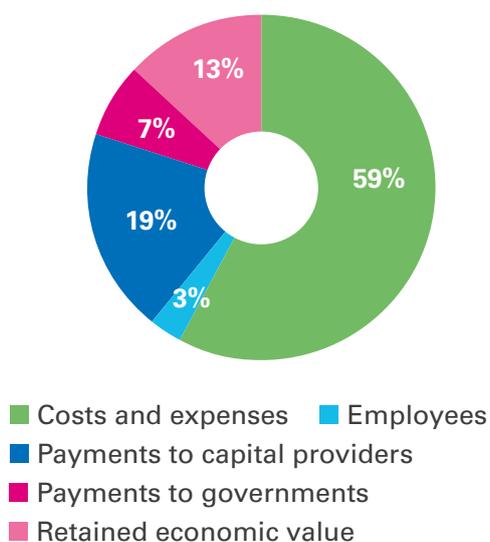
in 2018, Enel Generación created value worth 1.5 trillion pesos. 97% of which corresponded to sales revenue, supplemented by financial income and other minor incomes.

The economic value was distributed among the different areas of operation and stakeholders. Payments for energy and fuel accounted for 63% of disbursements while 19% benefitted financial capital providers (dividends to shareholders and financial costs) and 7% was for payment of income tax.



Description	2016		2017		2018	
	M\$	%	M\$	%	M\$	%
Income	1,874,819,700	100%	1,750,602,725	100%	1,533,548,381	100%
Economic value generated	1,874,819,700	100%	1,750,602,725	100%	1,533,548,381	100%
Costs and expenses	1,031,276,465	55%	997,775,623	57%	898,090,097	59%
Employees	50,591,768	3%	46,995,986	3%	46,351,525	3%
Payments to capital providers	321,335,661	17%	279,201,713	16%	287,575,445	19%
Payments to governments	83,216,935	4%	112,099,519	6%	104,946,765	7%
Distributed economic value	1,486,420,829	79%	1,436,072,841	82%	1,336,963,832	87%
Retained economic value	388,398,871	21%	314,529,884	18%	196,584,549	13%
Profit	521,432,373		425,542,215		318,205,236	21%
Dividends	265,633,883		228,349,884		239,385,950	16%

Distribution of economic value





# Occupational Health and Safety



103-2 103-3

Occupational health and safety are a strategic pillar to Enel Generación Chile, and in line with the Sustainable Development Goal 3 on Good Health and Well-Being the objective is to encourage good practices among all collaborators.

The Company manages the health and safety of its workers and those of its contractors in the same way. It works toward a common effort to increase the level of professionalism and operational safety. In this context, it has set up a “commitment chain” that encourages the different levels in the organization to respect safety standards and environmental care in all stages of construction, operation and maintenance of assets.



## SHE 365 program to reinforce the commitment

During 2018, the Enel Group deployed a new SHE 365 program to increase the level of attention to safety, health and environmental care in a specific, operational way based on a bottom-up model that includes collaborators. The new program implemented several initiatives aiming to reinforce the “commitment chain” across the board in the Enel Group.

the program encompasses three work streams: strengthening the commitment chain, facilitating the exchange of initiatives and increasing contractor participation. Regarding the latter, SHE 365 aims at raising the safety and environmental standards of contractors. Therefore, in collaboration with the Procurement Area, the SHE 365 requirements are incorporated in the contractors’ evaluation process, providing them with the Company’s support and knowhow.

## Stop work policy

102-11

As part of its commitment to ensure responsible behavior, Enel Generación Chile has adopted the Stop Work Policy that encourages precaution in situations of health, safety or environmental risks.

All employees, whether Enel’s or contractors’, must intervene to stop any activity that supposes a risk to the health and safety of workers. Moreover, any unsafe behavior and any omission or situation that may potentially cause an accident must be notified as soon as possible to the employee’s immediate superior.

Stop work notices do not entail any disciplinary action just for being reported. Its utter goal is to encourage warnings, highlighting thus the importance of health, safety and environmental conservation in operations.

## Occupational safety

Safety is a cultural issue for Enel Generación Chile and must permeate every activity. During 2018, different activities reinforced the safety culture ranging from communications–through workshops and seminars on accident prevention, self-care and occupational risk management–to oversight initiatives, such as Safety Briefings and Extra Checking on Site.

The Safety Briefings are bi-weekly meetings attended by the Chief Executive Officer and the senior executives of the Company in which recent safety and accident statistics are presented.. The Extra Checkings on Site (ECoS) are audits on the status of personal protection equipment, conduct and risk management, and emergency support teams. Eight ECoS were conducted in 2018.

## Labor committees

403-1

In compliance with governing regulations, Enel Generación Chile has set up Joint Hygiene and Safety Committees and a Psychological, Social and Labor Risk Committee. The Joint Hygiene and Safety Committees , comprised of representatives of the Company and employees, are intended to promote a safety culture within the Company, conduct inspections, and eventually investigate labor accidents. These Committees represent all workers in Enel Generación Chile.



The members of the Psychological, Social and Labor Risk Committee are directors, representatives of the People and Organization Division and workers' representatives. Its task is to implement the Psychological and Social Risk Oversight protocol and identify factors enabling actions for improvement that reduce or eliminate adverse impacts on occupational health.

The evaluation of psychological and social risks of contractors started at the end of 2018 by means of a survey. Consequently Enel Generación Chile drafted an improvement plan, which ultimately was audited.

## Operational safety management

Based on the safety strategy and policy, the Company conducts several initiatives to promote accident prevention and encourage operational safety. Given the characteristics of the different power plants of Enel Generación Chile, the Company designs safety activities according to the needs and priorities of each.

### Safety walks

On a continuous basis, executives of Enel Generación Chile and Enel Chile carry out safety walks, during which they inspect safety conditions in operations. Through observations, the walks provide valuable information to expedite occupational safety dialogue and adopt more efficient decisions to help prevent accidents and promote good practices. 276 safety walks were taken in 2018.

By means of observation, the safety walks provide valuable information as an input for dialogue related to occupational safety and enable better decision making, contributing thus to accident prevention and promotion of good practices. During 2018, 276 safety-walks were conducted.





## One Safety

The health and safety area officers continued to apply One Safety during 2018, a global tool used to review the conduct of workers by means of a checklist containing safety and self-care parameters.

The findings are shared in order to develop proposals on opportunities for improvement at the different plants.

## Intrinsic Safety

Intrinsic Safety is a tool implemented by Enel Generación Chile at its thermoelectric power plants to determine the Intrinsic Safety ratio of machinery, systems and equipment. A checklist is used to evaluate associated safety considerations, which facilitates identifying potential risks and opportunities for improvement so that a remediation plan can be drafted.

## Safety Moving Pool (SMP)

The Company has a multidisciplinary team to perform maintenance at power plants, comprised by workers with vast experience in safety and power generation. They supervise and provide technical assistance during major stops in the search for a continuous improvement of processes.

This team worked at the Bocamina and Tarapacá power plants in 2018.

## Occupational Safety Management

Beyond fulfilling its legal obligations, Enel Generación Chile continuously works on protecting the health of its collaborators and contractors, adopting voluntary practices that improve labor conditions.

Within this context, the SHE365 program has incorporated a medical control plan - with a preventive and informational scope - which defines specific medical exams for each professional profile, upon the risks, dangers and control measures associated to its functions.

This way, employees' integrity is being protected, by means of personalized management.

## Preventive campaigns

One of the challenges and commitments for 2019 is to apply and implement the Health Policy 383 on the Enel Renewable Energy Business. It will provide the minimum common standards on the mental and physical health of employees, on their satisfaction and comfort, in order to help improve the quality of their performance.

## Cardiovascular risk program

Caring for its people, the Company implemented a cardiovascular risk assessment program, providing tools for care and prevention such as specific physical activities, nutritional programs and periodic evaluations.

## Preventive examinations

Preventive exams consist of periodic medical evaluations. In order to detect timely any health issues or pathologies. They are defined in function of gender and age and all employees participate in the program.

## Workplace gyms

This initiative, available to all collaborators at offices and power plants, aims to prevent illnesses and pathologies inherent to labor stress. The exercise programs are guided by a professional from the Chilean Safety Association, and intend to prevent occupational illnesses like stress, tendinitis, lumbago, carpal tunnel syndrome, neck, arm and leg aches.

## Health care information and promotion

In the aim of encouraging a healthy environment, different campaigns have been implemented to educate collaborators in health, life quality and wellbeing.



Month	Campaign
March	Anti-stress campaign focused on recommendations and good practices to eliminate the causes of stress.
April	Immunization Campaign: A mass invitation to be vaccinated against the seasonal flu.
May	Anti-tobacco campaign: Counseling on preventing the use of tobacco.
June	Colon and Gastric Cancer Campaign: Recommendations for the early detection of these illnesses through a preventive examination.
July	Viral and Respiratory Disease Prevention Campaign: Recommendations to prevent contagion.
August	Heart Care Campaign: Practical recommendations on care.
September	Prostate and Cervical Cancer Campaign: Counseling on early detection through an annual examination.
October	Breast Cancer Prevention Campaign: An invitation to participate in preventing this disease through early detection/self-examination.
November	Healthy Eating Campaign: Practical recommendations on a better diet and healthy lifestyle.
December	Skin Cancer Campaign: Skin care advice to prevent the effects of ultraviolet radiation and other agents.

## Contractor involvement in health and safety management

Enel Generación Chile applies the same health and safety standards to its contractors as to its collaborators. Joint work and active involvement in management are crucial since contractors generally perform high-risk jobs.

### Safety assessment of contractors

Enel Generación Chile has several occupational health and safety policies applicable to its contractors and their employees.

The bidding terms for suppliers or contractors are accompanied by the occupational health and safety standards manual. Besides, construction, operation and maintenance contractors are audited on their occupational health and safety performance, being disqualified if they score less than 75%.

Disqualified companies can opt to submit themselves to a second audit which - in case improvements are detected - might enable them to participate in further tenders. Once hired, providers receive all security documentation with which they must comply.

Actually Enel is developing the Wise Follow system which - based on a digital platform - provides a unique accreditation system, enabling a quick validation of its own employees and contractors before beginning any work at power plants and in concession areas.

In 2018 the HSEQ4U tool was launched in replacement of the My Safety platform, a tool to report on safety, environment and quality management matters such as incidents, observations and inspections.

### On-site contractor monitoring and training

Contractors and providers are continuously evaluated during operations. Enel Generación Chile provides on-site training to contractors in the aim of including them in the safety culture, and every four months, safety audits are conducted to confirm compliance with contractual conditions.

Besides, and on a regular basis, on-the-job safety compliance, compliance with environmental standards, job organization, the observance of safety manuals and standards of the Enel Group, and the proper use of personal protection equipment (PPE) is being assessed.





Training and workshops extended to contractors give the opportunity to share best operational practices. In 2018 sensitization workshops on civil and criminal liability for occupational safety were imparted by the Legal Department of the Chilean Safety Association (ACHS).

Training is conducted by the employees of Enel Generación Chile and by specialized Technical Training Centers (OTECs).

The subjects addressed were:

- > Risk prevention and analysis
- > Working at a height according to the GWO standard
- > Fire prevention and control
- > First aid
- > Line responsibility
- > Supervising the operation of hoist equipment
- > Operating hoist equipment.

Four workshops were also held in 2018 especially for the Haitian employees of contractors. These workshops were taught in the Creole language and reinforced concepts of self-care and accident prevention.

In 2019 training will focus on three important areas: safety supervision and leadership, control measures and hazard identification.

Ongoing training has helped position the operations of Enel Generación as a safety model, both in terms of type of training as well as implementation times. Other companies in the industry are currently visiting our power plants and offices at the invitation of the Mutual Safety Association to see the safety control model firsthand.

Vendor Day was held for the first time in 2018 to reward the best safety practices of contractors.

## Safety management digitalization

### 3D risk map

With the objective to visualize its sites and enhance risk control management, Enel Generación Chile developed digital 3D models of its power plants. The latter contain databases of identified risks in each of them and since put in place, the models contributed to the reduction of accidents, resulting from preventive actions taken in the platform.

### HSEQ4You digital platform

This is a management tool that replaces the old My Safety system and allows the viewing of safety, environment and quality management issues in the different operations in real time. The interface allows to display data on incidents, operations and inspections.



## Health and safety statistics

403-2

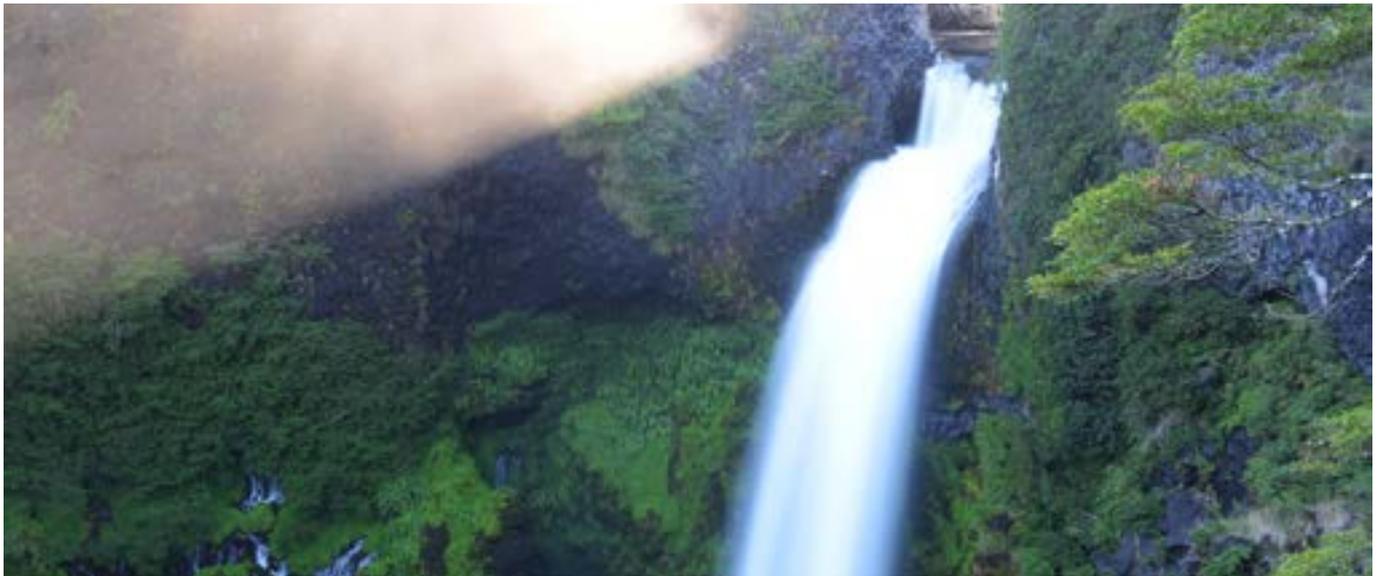
### Own employees and contractor employees



	2016	2017	2018
Fatal accidents	0	0	0
Serious accidents	0	0	0
Minor accidents	14	10	5
Total accidents	14	10	5
Accident ratio	1,09	1,02	0,65
Injury rate	0,22	0,20	0,13
Rate of working days lost due to accidents	6,20	13,02	11,79
Hours worked	12,802,147	9,784,656	7,737,233
Days lost	397	637	456

These figures differ from those in previous reports due to changes in criteria or involuntary omissions.





## Environmental sustainability



103-2 103-3

Enel Generación Chile deploys its business activities respecting environmental and social sustainability. The Company integrates an environmental and social assessment and management system in its entire value chain, thus minimizing the risk of impacts whilst creating opportunities to generate a social and environmental value in the territories where it operates.

In 2018, the Company approved two key policies to consolidate its commitment with natural resources conservancy and environmental management: the [Environmental Policy](#) and the [Biodiversity Policy](#).

The Biodiversity Policy contributes to the United Nations Convention on Biological Diversity, the 2011-2020 Biodiversity Strategy Plan and the Aichi Biodiversity Targets, as well as the National

Biodiversity Strategy approved by the Council of Ministers for Sustainability. The latter set the guidelines for biodiversity conservancy for the period 2017-2030 and its goal is to protect the country's natural heritage, enhance its value, reverse or reduce the consequences of the loss or degradation of ecosystems, and promote its sustainable use for development.

Under its biodiversity policy, Enel Generación Chile has adopted practices using the concept of "mitigation hierarchy," which, in a first instance tends to prevent or avoid adverse impacts; secondly, in case the impacts cannot be avoided, to reduce and remediate their effects; and finally, to deploy compensatory actions for residual impacts, respecting the "no net loss" principle and maintaining a positive biodiversity balance.

The Environmental Policy is founded on four principles: protect the environment by preventing negative externalities; improve and promote the environmental sustainability of products and services; create a shared value for the Company and its stakeholders; and adopt and fulfill voluntary commitments to promote ambitious environmental management practices.

The environmental and biodiversity policies encourage not only compliance with the benchmark environmental standards, but also foster a search for innovative solutions to the management of environmental impacts throughout the entire chain of production and the creation of shared value in the territories where the Company does business. An Integrated Management System (SGI), Life Cycle Analysis (ACV) and Circular Economy are tools to take on the challenge that helps turning Enel into a leader in the national energy industry.

# Integrated Management System

102-11

Enel Generación Chile addresses environmental management through an Integrated Management System designed according to ISO 14001, OHSAS 18001, ISO 9001 and ISO 50001. These standards enable the management and control of operating activities and processes of power plants and encourage the design and implementation of process improvement plans.

Internal audits on Enel's Integrated Management System took place at thirteen plants in operation and one plant under construction (Los Cóndores). A global internal audit was also made of hydro-electric technology environmental management and an external audit of the Integrated Management System of the Pangué Plant. In addition to the renewable energy power plants, which maintained their certification, the Bocamina, San Isidro and Quintero thermoelectric plants were audited in 2018.

The Latin America Environmental Workshop was held in Chile in October 2018, attended by the main actors working in the Company's environmental management areas. The goal of the workshop was to align a common environmental vision in the different countries where the Company does business, share experiences and review internal policies and procedures.

A workshop was held in March 2018, organized by Quality team of Thermal generation Chile. The purpose was to work on the changes to the 2015 versions of ISO 9001 and ISO 14001, risk management and opportunities, stakeholders, life cycle and a new management tool, among other relevant SGI matters, and the change in the version of the standards.

## Regulatory compliance

103-2 103-3

The sustainability of the Enel Group's operations starts with the proper compliance with environmental regulations and the correct permitting of projects and operation of facilities. Therefore, the environmental units of the business lines are responsible for the monitoring and timely compliance with environmental commitments and sectorial regulations, supported by the Integrated Management System.

The Environmental and Permits area of Enel Generación manages the coordination, supervision and receipt of environmental and other legal required permits for power plants. The following permits were received in 2018, amongst others:

- > Environmental Approval of the "Optimization of Water Supply and Industrial Liquid Waste Disposal Systems of the San Isidro Power Plant.
- > Sanitary Authorization of the new Waste Water Treatment Plant of the Tarapacá Power Plant.
- > Final acceptance of the Southern Dome of the Bocamina Power Plant.

In compliance with environmental permitting, during 2018 the Ralco hydro power plant carried out following:

- > A Reforestation Agreement with the University of Concepción: 422 hectares have been reforested in the Lonquimay zone.
- > Restoration: The dumps and deposits used during construction of the Ralco Power plant were completely restored.

The Stop Work Policy, widely used in connection with health and safety, expanded its scope of action in 2018 to include environment and archeology. This policy authorizes quick action to stop any activity involving a presumed risk to in-Company or exterior health and safety or that may cause damage to the environment or alter the archeological and artistic heritage of a location. The Company has thus acquired a new commitment to protect the environment, convinced that preventing risks and encouraging responsible behavior in this area means defending the present and future wellbeing of all.





## Ongoing environmental litigation

307-1

In November 2018, Enel Generación received a filing of charges from the Environmental Commission (SMA) regarding the operation of the Bocamina Thermoelectric Power Plant. It particularly imputed the infringement of Executive Decree 90 that sets an emission standard regulating levels of contaminants associated with the discharge of liquid waste into ocean and inland waters.

The Company opted to establish a compliance program involving a series of corrective measures.

As of December 31, 2018, a total of seven lawsuits were pending: two against the Bocamina Thermoelectric Power Plant for environmental damage and another against the Quintero Thermoelectric Power Plant; a tort liability lawsuit against the Bocamina Thermoelectric Power Plant; a criminal complaint at this time conditionally suspended; a legal recourse of protection for the emission of unpleasant gases in the location of the Quintero Thermoelectric Power Plant; and two lawsuits before the Magistrate's Court for cutting trees as part of the maintenance of the Quintero-San Luis Power Line.



## Environmental variable management

103-2 103-3

Enel Generación Chile works for a continuous improvement to generate efficiencies in its processes and products by incorporating cutting edge technologies in its operations. Its purpose, beyond compliance with regulations and reduction of environmental externalities, is to implement more ambitious solutions to improve its environmental performance. To protect the environment and the health of its workers and the community, the Company performs preventive actions, ensuring environmental compliance and avoiding inconveniences for its assets.

## Water management

Water use mainly relates to the thermal power plants' operations and is extracted from the ocean or water wells, according to the maritime concession or water rights that each power plant withholds. Ninety-eight percent is used for cooling systems, being returned to its original source. In 2018, water use in thermal power generation was reduced a 20% compared to 2017.

## Thermoelectric Generation<sup>22</sup>

303-1



	Use of water by activity in millions of m <sup>3</sup>		
	2016	2017	2018
Process <sup>23</sup>	6.64	6.01	5.93
Cooling <sup>24</sup>	758.63	697.40	558.70

22 The figures differ from those in previous reports due to changes in criteria or involuntary omissions.

23 Water for production includes sea water, wastewater and water reused for cooling in a closed cycle.

24 Cooling water used in open-cycle processes.



## Water Management Program for Farmers in the Maule Basin:

Since 2015, Enel Generación Chile has been developing a training program to implement technology for water use optimization in farm irrigation. The project is carried out in an alliance with the Center for Research and Transfer in Irrigation and Agroclimatology of the University of Talca, the Municipality of San Clemente, the Municipality of San Rafael and Entre Ríos Agrarian School. Optimized irrigation techniques were deployed from 2015 to 2017 on different demonstration parcels of the Entre Ríos School. More than 300 farmers received training by means of workshops and an exchange of experiences. The results for different crops revealed that as much as 40% of water can be saved while maintaining and even improving production.

In 2018, the project was extended to four water associations adding more than 200 farmers. In order to predict weather conditions, another two weather stations were installed, additional to the three already put in place in the first phase of the program.

In 2018, the Recyclápolis Foundation awarded this project the “Water” National Environmental Prize, Large Company Category.





## Emissions Management

### Fuel Consumption

302-1

#### Generación Térmica



Fuel consumption in TJ	2016	2017	2018
Coal	31,652	28,093	25,665
Fuel oil	0	84	41
Natural Gas	32,029	33,955	24,157
Gas oil	8,834	2,889	1,046
Lignite (brown coal)	0,00	0	0
<b>Total</b>	<b>72,515</b>	<b>65,021</b>	<b>50,912</b>



Thermoelectric power plant energy efficiency	2016	2017	2018
Net efficiency of coal-fired plants	36%	35.7%	37.3%
Net efficiency of gas-fired plants	41.8%	46.1%	47.9%

305-1



Emissions by Enel Generación Chile (tCO <sub>2</sub> e)	2016	2017	2018
Alcance 1	5,244,000	4,745,000	4,026,000

#### Monitoring emissions by the Bocamina Power Plant

In January 2018, the Bocamina Power Plant, a vanguard coal-fired plant in Latin America, was the first power plant to join a pilot initiative implemented by the Environmental Commission by which the authority can continuously monitor the emissions of thermoelectric power plants in real time.

The Southern Dome was inaugurated in 2018 that covers the coal storage yard. It was the second of two geodesic domes, a unique infrastructure in the region. The second Bocamina unit was successfully connected to the monitoring system in December to transmit raw data recorded by the monitoring equipment in real time. Adding more thermoelectric power plants to the SMA's monitoring system is under evaluation for 2019.



## Monitoring jointly with the community

### The Quintero Measurement Program

The purpose of the Quintero Measurement Program, begun in 2018, is to strengthen the technical, economic and administrative competencies of social leaders and local inhabitants so as to co-design a community environmental monitoring system.

Twenty people participated in the program, being trained from a theoretical, practical and legal point of view on environmental management at the School of Engineering of the Catholic University of Valparaíso.

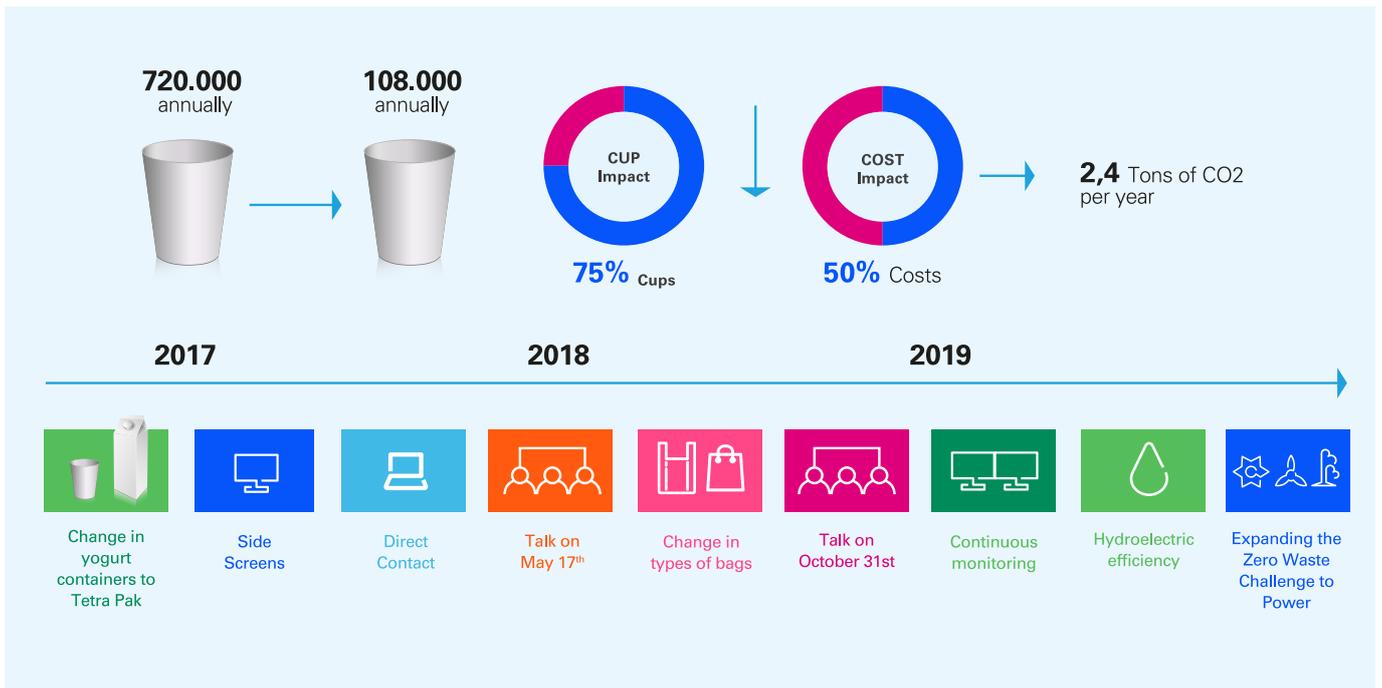
In the same period, an agreement was reached to create the Quintero Measurement Association that will implement the Citizen Environmental Monitoring System. The Enel Group will defray the costs of an external consultant to provide technical assistance to the association until it can operate in an autonomous way.

### The Paposo Air Committee

In 2018, thirteen social leaders trained at the Catholic University of the North set up a team with Enel's workers and representatives from local universities to analyze, understand and communicate air quality data provided by the Taltal Thermoelectric Power Plant monitoring station.

After visiting the plant and the monitoring station located at the Paranal grade school in Paposo, a technical committee was established that meets monthly to monitor the data and answer questions of the community. Besides, an informational emissions screen was installed outside the plant.





## Waste management

306-2

As a part of Enel Chile, Enel Generación Chile began the “Zero Waste Challenge” program in 2018. Its purpose is to minimize non-recyclable waste, which was mapped in a prior analysis. The program started off in the Santiago offices in 2018, where more than 1,500 people work.

Based on the priorities identified in the analysis, the Company worked on reduc-

ing the use of paper and plastic cups in its Santa Rosa, Vicuña Mackenna, Victoria, Dominica and Pedro Aguirre Cerda Buildings, reinforced by talks, by changing to compostable cups used exclusively for visitors, and by encouraging collaborators to use glasses and coffee cups. By promoting digitalization in all activities, printing has been reduced by 14% compared to 2017, avoiding thus the cut down of

172 adult trees and reducing 6,2 tons of CO<sub>2</sub>eq emissions on an annual basis. The upcoming challenges of the program are water efficiency, an increase in the awareness about the use of paper, progress in managing organic waste, and expanding the “Zero Waste” effort to power plants.

The Company is currently working on a waste management project that will be implemented in 2019. The plan is to improve recycling management of paper, cardboard, glass, plastic and batteries through alliances with foundations and authorized businesses.

## Optimizing Water Supply and Industrial Liquid Waste Disposal Systems at the San Isidro Power Plant:

In 2018 the project "Optimization of Water Supply and Industrial Liquid Waste Disposal Systems at the San Isidro Power Plant" obtained its environmental permitting. The project aims to optimize the use of water at the facility and recover its quality in cooling towers by means of the construction and operation of a Zero Liquid Discharge Plant, hereinafter called the "ZLD Plant," which will comprise two treatment modules.

The final objective is to attain more flexibility in raw water supply for the cooling process. The Company will continue to use its proper wells as a main source, whereas external wells serve as an alternative to ensure constant water supply.

Simultaneously it is to be expected that the project will contribute to diminish the number of times water is recirculated in the cooling tower and thus will modify the discharge flow into the river without exceeding 595 m<sup>3</sup>/hour. The former has been backed up by a new layout of the facility.

## Renewable Generation

Renewable energy facilities established a goal to reduce their annual waste disposal 5% compared to 2017. Therefore they defined a series of activities:

- > Pilot recycling points: The implementation of Recycling Points at the Pehuenche, Rapel and Sauzal plants.
- > Reuse of waste: A contract was signed for the sale of non-hazardous waste (junk metal) at the Maule, Laja and Biobío Hydroelectric Power Plants.
- > Waste baseline: Quantification of waste was updated at the renewable energy power plants (hazardous, non-hazardous and household waste).
- > Waste management and waste separation best practices were reinforced at plants.
- > The "World Recycling Day" was publicized and commemorated at plants by means of talks and videos.
- > The Company's collaborators received reusable bags to encourage their use and minimize the use of plastic bags.

## System for the recovery of oil and water in wells

An oil recovery system was implemented in wells (oil skimmers) at the Sauzal, Sauzalito, Rapel, Cipreses and La Isla Hydroelectric Power Plants. These skimmers remove oil that has run off from the units toward the drainage pit. The goal is to minimize the potential contamination of water below the dam caused by oil leaks.





## Life Cycle Assessment and Circular Economy

The Life Cycle Analysis (LCA) entails a holistic investigation of the incoming and outgoing flows of materials and energy throughout the entire value chain of a product or service. This tool serves to generate information as an input to design environmental strategies for specific processes in the value chain and/or to represent a quality of the product or service to be disclosed to consumers and other stakeholders.

Enel Generación Chile transversally uses the LCA approach for the estimation of environmental impacts of renewable energy projects. With this purpose in mind, the Company constructed a platform called MIMA (Integrated Environmental Measurement Model) which integrates environmental and sustain-

ability requirements. Thanks to this platform, the environmental impacts of projects can be measured throughout the entire value chain, from the extraction of raw materials and manufacture of electromechanical equipment to waste management and end of the life cycle according to ISO 14040 Environmental management - Life cycle assessment - Principles and framework.

The different MIMA modules will improve the efficiency and traceability of environmental information. The diverse environmental and sustainability performance indicators of interest to the Company can be monitored and managed in real time, automatically generating the corresponding reports.

It also allows to detect critical processes and flows, due for instance to an important consumption of raw materials or generation of waste or those that represent a significant part of the environmental footprints of projects, such as the carbon or water footprint. In a context of continuous improvement, this information is vital to designing strategies that minimize the impacts of future projects, starting from the initial phase of engineering, thus reducing the intensity of the consumption of virgin materials and promoting a greater use of recycled materials. Suppliers and contractors are involved so that they also manage the environmental impacts of their processes, such as the manufacture and transport of electromechanical equipment.





LCA is also a relevant input for including the Circular Economy principles to Enel's business model. It intends to generate a cultural change throughout the entire ecosystem of Enel's value chain and to take advantage of opportunities offered by existing technologies whilst promoting sustainable innovation among the Company's collaborators and suppliers.

The Circular Economy model is based on five principles that define its scope of application:

- > Sustainable inputs. The goal is to reduce the use of virgin resources by encouraging the use of renewable materials and, whenever possible, recycled materials.
- > Extension of the useful life of assets through strategies such as a modular design of projects, extension of the useful life of power plants and preventive and predictive maintenance of assets.
- > A shared use of products in order to reduce the manufacture of new ones.
- > A product as a service. The sale of services associated with the use of products, instead of the product itself, as one way of maximizing the product utilization factor.
- > End of life of assets. Reuse or recycling strategies to reduce the generation of waste at the end of an asset's useful life and create a new life cycle.



Enel recently was added to the 100 Global Partners of the Ellen MacArthur Foundation, a non-profit organization and world benchmark in the inclusion of the principles of circularity to the economy. This poses the challenge of continuing to be a leader in matters of sustainability while promoting the circularity of the Company's processes and those of customers through an increasingly cleaner energy supply.

## 2018 Circular Economy Projects

In 2018, the Company implemented several projects and solutions that integrate the Circular Economy principles adopted by the Group.

### Sustainable Inputs:

#### Eco-furniture factories

In the aim of reducing the generation of waste in its operations and of creating value for communities, the Company and the Sembra Foundation have jointly imparted training in eco-construction and eco-furniture manufacture. That training has given the participants the tools they needed to build furniture and infrastructure where the main inputs are waste pallets from different industrial operations. This training has been offered in different communities with which Enel Chile shares the territory and it has helped the Company recover more than 660 tons of pallets, which avoided 970 tons of CO<sub>2</sub> equivalent because the pallets were reused in the manufacture of furniture.

#### Conversion of synthetic clay

In line with its environmental commitment, Enel Chile has been able to reduce the volume of waste going to final disposal by converting by-products from thermoelectric power generation, specifically synthetic clay produced by the desulfurization of combustion gases. Approximately 6,200 tons are recovered each year for use as an input in concrete production in different factories in the nation





## Biodiversity management and conservation

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According to the biodiversity policy of the Enel Group, based on the United Nations Convention on Biological Diversity and the 2011-2020 Biological Diversity Plan, Enel Generación Chile and its subsidiaries are working with stakeholders on the conservation of species and natural habitats near its plants to offset potential adverse impacts and prevent a net loss of biodiversity.

The Company has thus promised not to plan any activities that may interfere with species and natural habitats. The effects of building a new plant on ecosystems and their biodiversity are assessed in each case to avoid compromising areas of a high environmental value and to advance measures to eliminate, reduce or mitigate impacts.

### Biodiversity protection

Among the activities to monitor and protect biodiversity in the surroundings of the power plants of Enel Generación Chile are:

- The creation of a Multidisciplinary Task Force under the RECOGE Plan of the Ministry of the Environment for the Huemul Conservation Program in the Eighth Region.

### Taltal Thermoelectric Power Plant – Sentry parcels

A Pajoso ecosystem monitoring program was established simultaneous to approval of the project to build and operate the Taltal Thermoelectric Power Plant. This program consists of monitoring sentry parcels representing the vegetation, diversity of flora and habitat of fauna in order to record data to be able to analyze and evaluate whether or not the nitrogen oxide (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) emissions by the Taltal plant have any impact on the environment.

The Environmental Assessment Service for the Antofagasta Region later approved the Company's proposal to modify and expand the frequency of monitoring of the sentry parcels to twice a year.

## Biodiversity Projects

Project	Description	Expanse covered by the project
The monitoring of marine mammals and birds along the coast of Punta Patache, near the Tarapacá coal-fired power plant	Assess the birds in the marine environment around Punta Patache and classify the abundance, size and distribution of species; > Assess the mammals in the Punta Patache region and classify the abundance, size and distribution of species; and > Analyze the degree of conservation of recorded species and the potential risks they face as a consequence of human activity.	200 hectares
Environmental monitoring plan for the intermarine zone of Punta Patache, near the Tarapacá coal-fired power plant.	> Identify microalgae and benthic invertebrates present in the intermarine zone and assess the biodiversity. > Analyze the spatial distribution of microalgae and benthic invertebrates in terms of abundance and biomass. > Estimate the rocky intermarine biodiversity and spatial and seasonable variability in comparison to two sectors where there is no industrial influence or disorganization.	19.5 hectares
Monitoring of parcels with vegetation in the coastal zone of the Paposo Desert, near the Taltal Thermolectric Power Plant.	The program consists of monitoring the Paposo ecosystem on parcels representing the vegetation, flora and fauna of the zone.	2.340 hectares
Environmental monitoring plan for the marine environment in Mejillones, near the Atacama combined-cycle power plant	Analyze the parameters of biodiversity, abundance and distribution of fauna on the ocean bottom in areas near the discharge and remote control of the Atacama thermolectric power plant.	16 hectares
Environmental monitoring plan for the marine environment of Coronel Bay, near the Bocamina coal-fired power plant.	Space-time analysis of the composition and fauna, and an ecological characterization of the seaboard macro-benthic community in the tidal area opposite the area where liquid waste is discharged by the Bocamina coal-fired power plant in Coronel Bay.	108 hectares
Monitoring of biota and water quality in the Upper Basin of the Biobío River, near the Ralco Hydroelectric Power Plant.	The study of the biota and the quality of the water in the area of the Ralco hydroelectric power plant describes the present environmental situation of this segment of the Biobío River affected by the filling of the Ralco Reservoir. The information from operational monitoring of the power plant will be compared to the description of the fluvial ecosystem prior to filling the reservoir (baseline and construction periods). This will help detect probable changes in water quality and aquatic biota associated with the installation and operation of the Ralco Reservoir. Mitigative measures can then be proposed in the monitoring area if impacts are negative, if required by the conclusions of the study.	50000 hectares
Reforestation of native species, near the Ralco Hydroelectric Power Plant	The reforestation of 700 hectares with native species (Patagonian oak, raulí and Dombey's beech) to compensate for the area of native forest affected by construction of the Ralco hydroelectric power plant. 63.07 hectares of those 700 hectares are set aside for species in a state of conservation (the Chilean Plum Yew, Guindo Santo ( <i>Lucryphia Glutinosa</i> ) and Chilean Cedar).	700 hectares
Restoration of temporarily used sites, near the Ralco hydroelectric power plant	The restoration of approximately 20 hectares of land used temporarily to build the Ralco power plant (dumps, aggregate deposits, roads, site facilities, etc.)	20 hectares.
Environmental Flow Pilot Study for Dry Segments of the Laja River	A study to establish a flow to restore the minimum fluvial conditions of the Laja River.	21 kms





## Identification and conservation of threatened species

304-3 304-4

Enel Generación Chile identifies and protects species in the category of conservation or threatened that are found on sites where it operates. Those species include those on the UICN Red List or in the species conservation records of the Government of Chile.



Description	Enel Gx
	> Inland ecosystem - desert
	> Inland ecosystem - temperate forest
Habitats impacted (indicating whether the ecosystem is inland, aquatic or wetlands)	> Aquatic ecosystem – coast and ocean > Aquatic ecosystem – fresh water (rivers)
Species involved	8
Species on UICN red list	4
• Critically endangered	0
• Endangered	1 <i>Lontra Felina</i>
• Vulnerable	1 <i>Spheniscus humboldti</i>
• Near threatened	1 <i>Larosterna inca</i>
• Least concern	1 <i>Eulychnia iquiquensis</i>
• Extinct	0
• Extinct in the wild	0
No. of conservation projects	5
No. of voluntary conservation projects	5

## Huinay Foundation

The San Ignacio del Huinay Foundation is a non-profit organization founded in 1998 by Endesa Chile, now Enel Generación Chile, and the Catholic University of Valparaíso. Its purpose is to promote a culture of sustainability and environmental conservation through scientific research and cultural, educational, social and community initiatives. Its mission is to understand, through scientific research projects, the structures and dynamics of ecosystems in the Chilean Patagonia to put the knowledge acquired at the disposal and benefit of national and international society.



The Foundation conducts its activities in the Chilean Patagonia, specifically in the Municipality of Hualaihué in the Lake Region. There it owns 34,000 hectares of highly preserved evergreen forest lands on the shores of the Comau fjord. It has been operating a think tank there since 2001, which has undertaken diverse research projects on the marine environment and inland environment.

The focus of scientific research is on the great issues of the day that are of national and global importance, such as climate change, ocean acidification, loss of biodiversity and ecosystemic services, and natural resource management. The spatial scope of research not only encompasses the Comau Fjord and the Foundation's property but also the entire Patagonian ecosystem.

Seven major projects advanced actively in 2018, in addition to long-term monitoring of biotic and abiotic variables in the Comau Fjord and meteorological variables on the Foundation's property. Eight scientific articles were published in the year and 16 presentations were made at congresses and seminars. There were also six marine expeditions in the Chilean Patagonia: the Madre de Dios Archipelago, the Pitipalen Fjord, the Tres Montes Gulf (2), the Messier Channel; and the Copihue Channel.

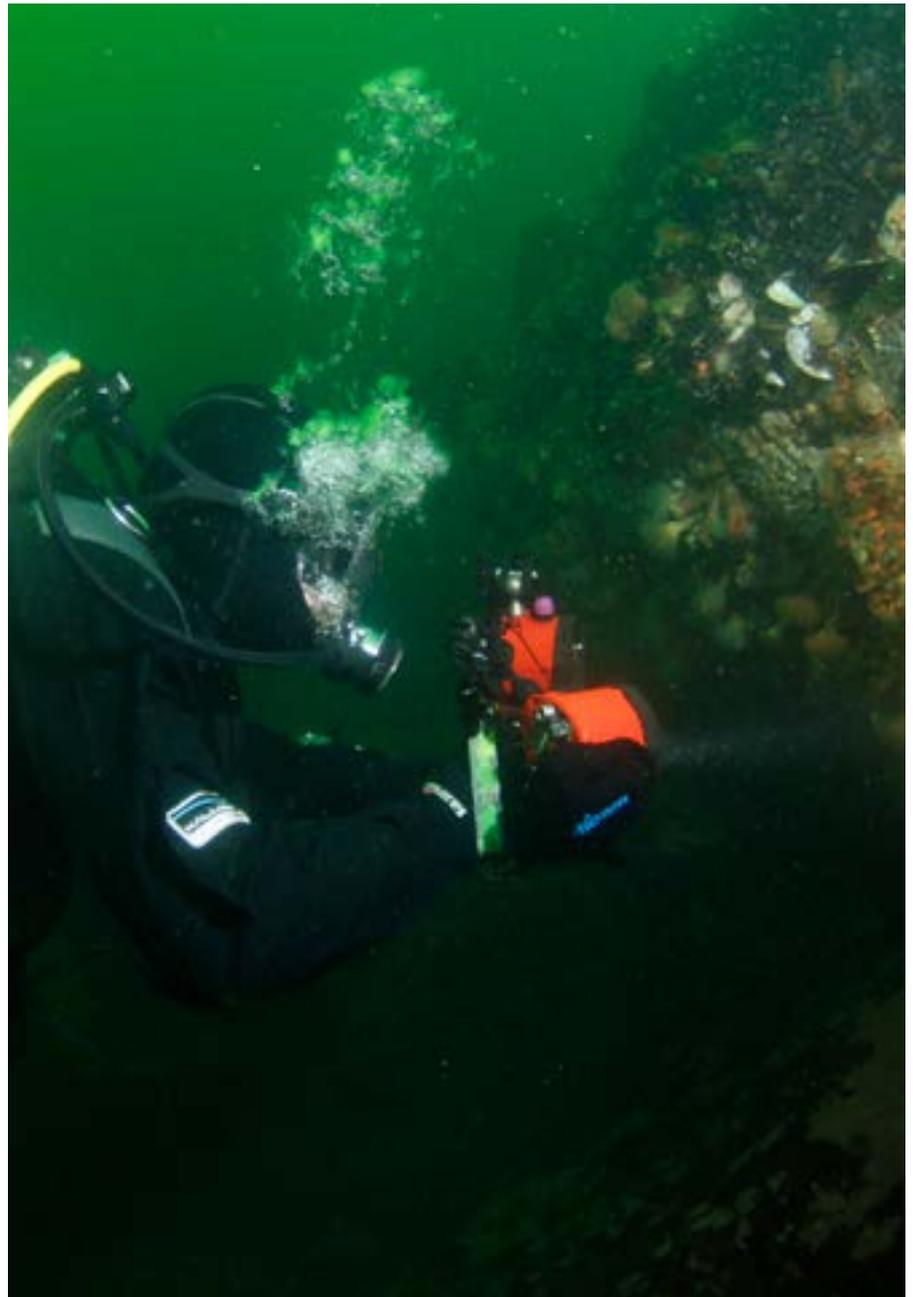




There is also a small community of 10 colonists adjoining the Foundation's property with whom the Huinay Foundation has maintained a close relationship from the start. In fact, the Foundation provides free electricity thanks to a small hydroelectric power plant that it operates. This has significantly reduced the consumption of firewood for heating and cooking and improved living conditions because these colonists have access to technology that needs electricity to run. The Foundation also helps the members of this community gain access to health care by guaranteeing free maritime transport of a medical team to Huinay, in coordination with the municipality, to provide preventive health care to the population. Other types of ties with the community entail ongoing transportation of people and materials and the hiring of labor for the Foundation's activities.

In 2018, consistent with the Foundation's mission, a reforestation project began, the "1,000 Native Trees for Chile Challenge - 2018," that actively involved the community in the Lake Region. That goal will be tripled for the 2019 Challenge.

Trees were planted by the Foundation and community volunteers on the Foundation's property and other sectors of the Region: near the Sacred Family School in Hornopirén; by three community associations in the municipality of Paildad in the Province of Chiloé; and in Quebrada Honda in Puerto Varas.



# Sustainable supply chain



103-2 103-3 102-9

As part of Enel Chile, Enel Generación Chile has the firm commitment to drive sustainability throughout the value chain in which supply chain management is one of the strategic pillars. In line with SDG 12, Responsible Consumption and Production, the Enel Group promotes responsible procurement practices and extends internal sustainability policies to all its suppliers to propitiate safe environments for the thousands of contractor workers.

The Company set down new requirements in operating locations to strengthen the competencies of suppliers, thereby developing the local industry. This helps improve management, reduce costs and prevent incidents at plants and in the community.

In 2018, a total of 378 suppliers were contracted by Enel Generación and its subsidiaries, which significantly contributed to the creation of value and to having more allies in operations.

## Procurement with a long-term view

For one year now Enel has been working on Procurement Transformation to respond, from the viewpoint of procurement, to the actual challenges, such as a reduction in the use of resources, risk prevention and a sound supply chain.

The mission of the Procurement Area is to maximize the many forms of value creation: safety, costs, periods, quality and risks. It worked on three macro-goals, broadening the competencies of procurement officers by using efficient technology, improving integration and communications with customers, and involving suppliers from the start.

As stipulated by global procurement directives, all procurement processes

must be transparent and collaboration-based prior to making a contract. The Enel Group puts ethics at the core here, in the aim of generating long-term bonds of trust.

Generally, supplier management involves three major stages. The first, called Qualification, is centered on an objective analysis of suppliers, mapping their critical points and encouraging solutions. The second stage involves contracting, whereby the contractor is informed of contractual obligations, values and codes of conduct that the Enel Group expects from suppliers.

The third and last stage is called Vendor Rating, which monitors compliance during provision of the service through objective evaluations that encourage a continuous improvement through collaboration and participation.





## Qualification and selection of suppliers

103-2	103-3	412-1
412-3	414-1	308-1

Consistent with the Global Procurement guidelines – the procurement management at group level – Enel Chile has worked on the implementation of a new qualification process that, on the one hand, supports business reducing evaluation time as well as health, safety and environmental risks, and, on the other hand, improves the purchasing experience and the quality of the suppliers' service. Suppliers have the possibility to monitor the state of the process at the website at any time.

Supplier qualification consists of the evaluation of economic, financial, reputational and technical requirements and includes a specific assessment of sus-

tainability aspects such as occupational health and safety, environmental compliance, and respect for Human Rights.

Supplier qualification consists in an evaluation of economic, financial, reputational and technical requirements and includes a specific assessment of sustainability aspects such as occupational health and safety, environmental compliance, and respect for Human Rights.

The sustainability assessment includes different kinds of analyses, according to the associated risk level. The sustainability criteria include requirements like compliance with ISO 14001, OHSAS 18001, ISO 14067, waste management and other matters like labour practices.

Suppliers interested in being qualified are evaluated in a differentiated way, depending on the risk level of the service to be provided. The risks may be of technical, safety, environmental or reputational nature.

During 2018, 100% of the new suppliers were evaluated upon sustainability criteria – developed in a joint effort with the Sustainability department at Enel Chile – considering their performance in the health and safety, environment and Human Rights scopes, for the purpose of confirming that the supplier company counts with a management system respectful of the above-mentioned aspects.

Once a supplier has been selected, he must sign the award contract, thereby adhering to the principles contained in the Enel Group's Code of Ethics, and the Zero Tolerance for Corruption Plan.

The Human Rights Policy of the Enel Group extends to its suppliers to ensure that there are no violations in its supply chain. During the classification stage, suppliers are evaluated through a questionnaire that is based on the U.N.'s "Guiding Principles on Business and Human Rights" and the "Children's Rights and Business Principles" of UNICEF.



## Monitoring performance through Vendor Rating

The evaluation process does not end with the selection of a supplier. The General Contract Terms of the Enel Group stipulate that once a service begins, contractors are to be constantly monitored through the Vendor Rating system.

The Vendor Rating system gathers information systematically and objectively on a supplier's performance during the procurement and performance of the service. It evaluates the quality of the delivered goods and services, compliance with deadlines, employer compliance and the level of safety during operation.

This information is used to calculate the supplier ratio (IVR), which serves as an input to the global evaluation of contractors and suppliers with reference to different types of services and/or goods.

For those suppliers that present certain weaknesses, the Company establishes an action plan for the improvement of their performance.

In 2018, the Procurement Division, in its ongoing search for technological solutions to optimize its processes, developed a new digital tool called Track and Rate, enabling different businesses lines to issue and receive real time incident alerts regarding quality, punctuality, safety, environment and social responsibility.





## Suppliers as strategic partners

414-1

Within its supplier universe, Enel identifies as critical suppliers those whose services relate to the main activities of the Company's operations. They provide irreplaceable components entailing substantial expenses or implying high risk levels in terms of work safety, environmental management and economic performance.

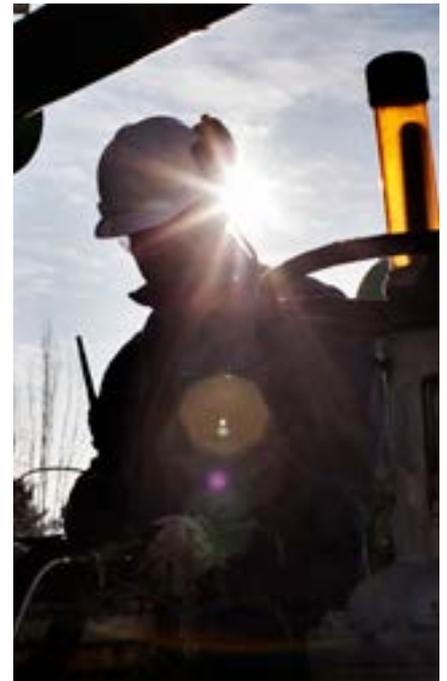
Enel Generación Chile wants to ensure the procurement of equipment, goods and services according to the required quality standards, ensuring at the time respect for the natural surroundings and communities. The Company undertakes different activities to involve suppliers and maximize the value of its operations:

## Contractor work climate program

A contractor work climate program has been set up in furtherance of better ties between Enel Generación Chile and its contractors and of a contribution to their continuing improvement.

Through surveys and focus groups, this program evaluates the work climate of contractors invited to participate. The measurement tool is comprised of 14 dimensions such as "teamwork," "career development," "recognition" and "risk prevention," to gain an understanding of the perception of contractors in each of these areas.

The results, which are delivered to the respective contractor, aim for contractors to design action plans to create an appropriate work environment. In 2018, 251 contractor employees of Enel Generación Chile participated.





Results of the job climate survey	2018
Percentage satisfaction	69.9%
No. of workers surveyed	251
No. of contractors represented	11

## Work Competences Accreditation Program

The Job Competency Accreditation Program defines the criteria of key profiles for each type of service and area of business for the purpose of identifying and accrediting the collaborators of contractors who satisfy those pre-established needs. Anyone who is non-compliant is invited to participate in a training program to manage their opportunities for improvement and be able to request a subsequent re-evaluation.



## Vendor Day

The first Vendor Day was held in 2018. That day, Enel Generación Chile brought together its suppliers to share experiences and learn about the Company's new procurement method.

The day focused on health and safety and explained in further detail the features of each business line, involving suppliers .

During the seminar, awards were given for the "Innovation by Vendor" contest, recognition of contractors' value creation in the conduct of their own businesses, taking into account Occupational Safety, Sustainability, Digitalization and Automation.





EY Chile  
 Avda. Presidente  
 Riesco 5435, piso 4,  
 Las Condes, Santiago

Tel: +56 (2) 2676 1000  
 www.eychile.cl

Limited Assurance Statement of Enel Generación Sustainability Report 2018 (free translation from the original in Independent spanish)

To the President and Directors of  
 Enel Generación

**Scope**

We have performed an independent limited assurance engagement on the information and data presented in Enel Generación 2018 Sustainability Report.

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

**Standards and Assurance Procedures**

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

We conducted our assurance procedures in order to:

- Determine whether the information and data presented in the 2018 Sustainability Report are duly supported by evidence.
- Verify the traceability of the information disclosed by Enel Generación in its Sustainability Report 2018.
- Determine whether Enel Generación has prepared its 2018 Sustainability Report in accordance with the Content and Quality Principles of the GRI Standards.
- Confirm Enel Generación self-declared (Core or Comprehensive) option of the GRI Standards to its report.

**Work Performed**

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

- Interviews with key Enel Generación personnel, in order to assess the 2018 Sustainability Report preparation process, the definition of its content and its underlying information systems.
- Review of supporting documents provided by Enel Generación.
- Review of formulas and calculations by recalculation.
- Review of the 2018 Sustainability Report in order to ensure its phrasing and format does not mislead the reader regarding the information presented.

**Our Responsibility**

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

**Conclusions**

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

The information and data disclosed in Enel Generación 2018 Sustainability Report are not presented fairly. Enel Generación 2018 Sustainability Report has not been prepared in accordance with the GRI Standards for the preparation of sustainability reports under the Global Reporting Initiative. Enel Generación self-declared "Core" option does not meet the GRI Standards requirements for this option.

**Improvement Recommendations**

Without affecting our conclusions as set out above, we have detected some improvement opportunities for Enel Generación Sustainability Report 2018, which are detailed in a recommendations report presented to Enel Generación Administration.

Truly Yours,

EY Consulting SpA.

Elanne Almeida  
 Partner

April 24<sup>th</sup>, 2019  
 I-00239/19  
 RGS/lrw

# Methodological note

## Scope of the report

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This is the ninth annual sustainability report of the Company and the third issued under the administration of Enel. This report has been prepared according to the Core option of the GRI Standards.

The information reported covers all operations of Enel Generación Chile and explains the economic, social and en-

vironmental management of the operations of Enel Generación Chile and its subsidiaries for the period from January 1 to December 31, 2018.

The sustainability report follows the Communication on Progress (CoP) of the United Nations Global Compact, the Model of the International Integrated

Reporting Council (IIRC) and the SDG Compass that facilitates adapting sustainability strategies to the United Nations Sustainable Development Goals.

The report is structured according to the strategic priorities of the Enel Group Sustainability Plan.

# Appendix

Ratio of women's wages to men's wages



	2016		2017		2018	
	Own	Contractor	Own	Contractor	Own	Contractor
Fatal accidents	0	0	0	0	0	0
Serious accidents	0	0	0	0	0	0
Minor accidents	0	14	1	9	0	5
Total accidents	0	14	1	9	0	5
Accident ratio	0	1.31	0.42	1.21	0	0.81
Injury rate	0	0.037	0.026	0.078	0	0.07
Rate of working days lost due to accidents	0	7.45	5.22	15.52	0	14.86
Hours worked	2,146,235	10,655,912	2,377,032	7,407,624	1,598,097	6,139,136
Days lost	0	397	62	575	0	456

404-3



Workers evaluated with the Performance Appraisal model

	2018		
	Men	Women	Total
N° of evaluated by Performance Appraisal			
Total number of collaborators	675	92	767
N° of senior positions	4	0	4
N° of middle positions	77	8	85
N° of professionals and administrative	534	83	617
Total number of evaluated	615	91	706
% of evaluated	91%	99%	92%





# GRI Content index

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102-5	Governance structure	10	
102-6	About Enel Generación Chile	8	
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	About Enel Generación Chile	8	
102-8	The people of Enel Generación	72	
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	Prioritizing stakeholders	35	
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<b>Strategy</b>			
102-14	Letter to stakeholders	4	
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<b>Ethics and integrity</b>			
102-16	Ethical standards and conduct	94	
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102-21	Identification of priority issues	31	
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Core content	Title	Page	Principle No. in Global Compact
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<b>Stakeholder engagement</b>			
102-40	Stakeholder Engagement	52	
102-41	Labor and union relations	81	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
102-42	Stakeholder Engagement	52	
102-43	Stakeholder Engagement	52	
102-44	Stakeholder Engagement	52	
<b>Reporting practice</b>			
102-45	Materiality analysis	8	
102-46	Materiality analysis	31	
102-47	Material issues	41	
102-48	Previous years' environmental figures—in the "environmental sustainability" chapter—were recalculated to improve data comparability.		
102-49	There were no changes in the preparation of the report.		
102-50	Scope of the Report	131	
102-51	Scope of the Report	131	
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	201-1	Creation of economic value	101		
Procurement practices	103-2, 103-3	Sustainable supply chain	125		SDG 12: Responsible consumption and production
Anti-corruption	103-2, 103-3	Compliance Road Map	97		
	205-1	Compliance Road Map	98		
Energy	103-2, 103-3	Environmental variable management	110	Principle 7: Businesses should support a precautionary approach to environmental challenges.	SDG 7: Affordable clean energy.
				Principle 8: Undertake initiatives to promote greater environmental responsibility.	SDG 12: Responsible consumption and production SDG 13: Climate action
				Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	SDG 14: Life below water. SDG 15: Life on land.
	302-1	Emissions management	112		
Water	103-2, 103-3	Environmental water management	110		
	303-1	Water management	110		
Biodiversity	103-2, 103-3	Biodiversity conservation and management	120		
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Emissions	103-2, 103-3	Environmental variable management	110		
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	401-1	Internal mobility and promotions	81		
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Material issue	General content	Title or response	Page No.	Principle No. in Global Compact	SDG
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	405-1	The people of Enel Generación	72		SDG 10: Reduce inequalities
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	Propio	Corporate governance	94		
	103-2, 103-3	Communities and shared value	52		
Local communities	413-2	Communities and shared value	52		SDG 3: Good health and wellbeing
					SDG 4: Quality education
					SDG 5: Gender equality
					SDG 7: Affordable clean energy
					SDG 8: Decent work and economic growth
					SDG 9: Industry, innovation and infrastructure
					SDG 10: Reduce inequalities
					SDG 11: Sustainable cities and communities
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					SDG 13: Climate action
SDG 15: Life on land					
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Please send any questions and suggestions to:  
Antonella Pellegrini,  
Sustainability and Community Relations Manager:  
antonella.pellegrini@enel.com  
Santa Rosa 76, Santiago de Chile



