

Empresas Copec

ISIN CODE: CLP7847L1080

Overall score **9/100**

Sector: Oil Equipment & Services
Emerging Market

Information rate: 46% (Sector average: 49%)
Company cooperation level: Not responsive *

General information

Empresas Copec is a Chile-based holding company engaged, through its subsidiaries, in the energy and natural resources sectors. The Company's operates in the Forestry, Fuels, Fishing and Other Investments. The fuel business is focused on the liquefied fuels, lubricants, and liquefied petroleum gas and natural gas markets. On April 11, 2014, the Company with Inversiones Ultraterra Ltd sold their total stake in Empresa Electrica Guacolda to AES Gener.

Main Economic Segment**	Turnover 2015
Fuels	70.8 %
Forestry	28.3 %
Fishing	0.8 %

CORPORATE GOVERNANCE				
	2013	2014	2015	2017
Score				9
Allegations				No
Rating				--
Risk management				Weak

Key issues

Corporate governance is critical to ensuring that a well-functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system, the protection of Shareholders Rights and the establishment of Executive Remunerations which align executives' and company's interests.

Company performance

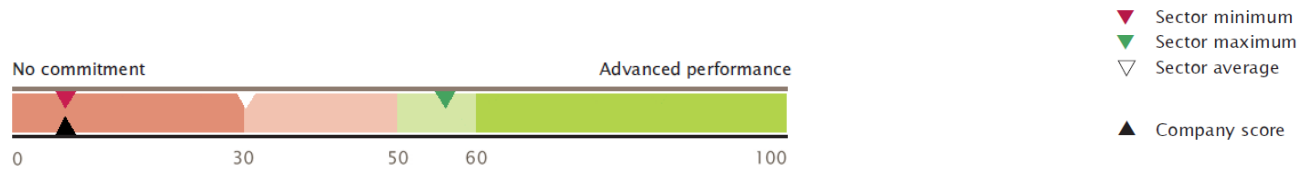
Due to the company's lack of transparency, Vigeo Eiris' assurance on the company's ability to manage Corporate Governance issues is low.

Corporate Governance

Score : 9

CGV1.1 Board of Directors

(score: 7, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

Information disclosed on this subject is insufficient.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

Information on the responsibilities allocated over CSR issues is insufficient.

Share of independent shareholder-elected Board members

Information obtained from company and public sources regarding detailed biographical information for all members of the Board of Directors is insufficient.

Diversity of the skills and backgrounds of the Board

Information obtained from company and public sources regarding the diversity of skills and backgrounds of board members is insufficient.

Training and expertise provided to board members

Information obtained from company and public sources regarding training provided to board members is insufficient.
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Regular election of Board members

Information obtained from company and public sources regarding the regular election of board members is insufficient.

Evaluation of Board's functioning and performance

Information obtained from company and public sources regarding the evaluation of board functioning and performance is insufficient.

Review of CSR issues at Board meeting

Information obtained from company and public sources regarding the review of CSR issues at board meetings is insufficient.

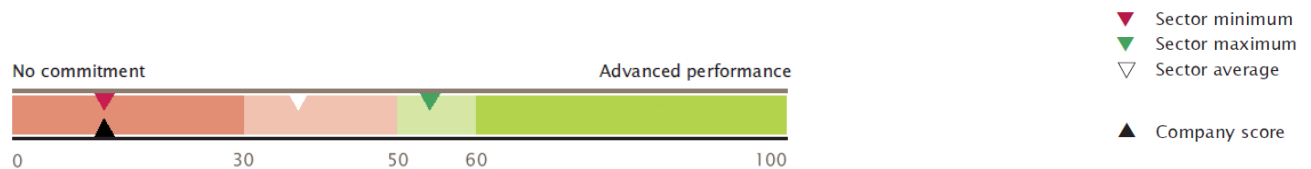
Regularity of and attendance at Board meetings

Information obtained from company and public sources regarding the regularity of and attendance at board meetings is insufficient.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	>9 years on Board	Stock options	Paid > 1/2 executive salary	Represent >3% company's shares	Other	Independence
Mr. Roberto Angelini	Chairman		X											
Mr. Jorge Andueza	Vice-Chairman		X									X		
Mr. Andrés Bianchi			X											
Mr. Manuel Bezanilla			X											
Mr. Juan Edgardo			X											
Mr. Arnaldo Gorzigli			X											
Mr. Carlos Hurtado			X											
Mr. Gabriel Bitrán			X											
Mr. Tomás Müller														

CGV2.1 Audit & Internal Controls

(score: 12, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

Information disclosed on this subject is insufficient or not relevant.

Skills and backgrounds of Audit Committee members

Information disclosed on this subject is insufficient.

Operational and CSR risks covered by the company's internal controls system

Information disclosed on this subject is insufficient.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:
 - *Nominate the statutory auditor*
 - *Oversee the work of the external auditor*
 - *Approve the type of audit and non-audit services provided and fees paid to the external auditor*

Management of the CSR risks

Information obtained from company and public sources regarding the management of the CSR risks is insufficient.

Independence of the firm's external auditors

Information obtained from the company and public sources regarding the independence of the firm's external auditors is insufficient.

Inclusion of CSR issues in the company's reporting

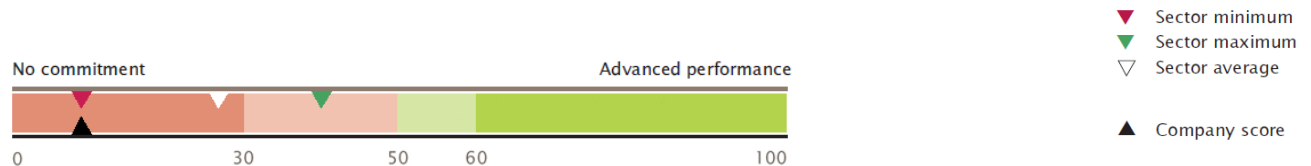
The company does not publish any significant CSR reporting on the key material issues for its sector.

Stakeholders' feedback

As of 04/2017, Empresas Copec did not appear to be involved in any controversy related to this sustainability driver.

CGV3.1 Shareholders

(score: 9, weight: 2)



Nonexistence of voting rights restrictions

Information disclosed on voting rights restrictions is insufficient or not relevant.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM

Information obtained from company and public sources, regarding the ability to add items to the agenda of the AGM and to convene an EGM, is insufficient.

Access to voting at General Meetings

Information obtained from company and public sources regarding the access to voting at the AGM is insufficient.

Ability to vote on relevant issues in separate resolutions at AGM

Information obtained from company and public sources, regarding which items are customarily put to a vote at the AGM, is insufficient.

Presentation of CSR strategy to shareholders and investors

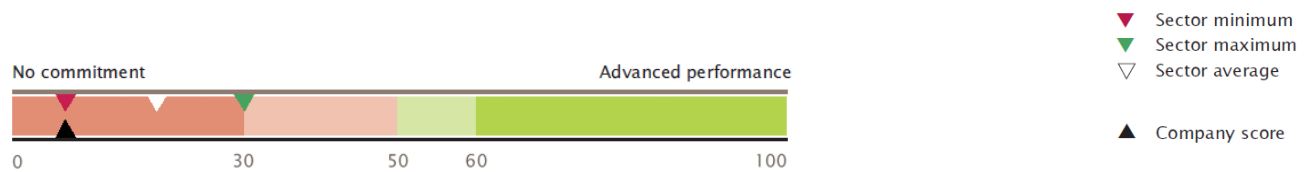
Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

Stakeholders' feedback

As of 04/2017, Empresas Copec did not appear to be involved in any controversy related to this sustainability driver.

CGV4.1 Executive Remuneration

(score: 7, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

Information disclosed on this subject is insufficient.

Disclosure of senior executives' individual remuneration

Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.
The company indicated that Bonuses are voluntary and are determined based on the company's results.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.
The company indicated that incentive plans are voluntary and are determined based on the company's results.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

Severance pay for senior executives

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.
The company indicated that there were no severance payments made to the company's senior managers and officers during the FY, but it is not clear how much is due when it happens.

Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

Stakeholders' feedback

As of 04/2017, Empresas Copec did not appear to be involved in any controversy related to this sustainability driver.

Contacts

Analyst : Hunde Dhugassa • hunde.dhugassa@vigeo.com
Sector Lead: Abderrahim Ouaderzan • abderrahim.ouaderzan@vigeo.com

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