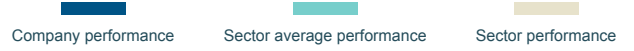
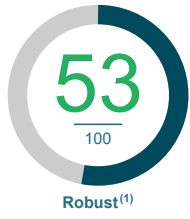


Company and Sector Performance

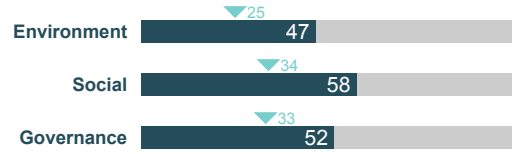


ESG OVERALL SCORE

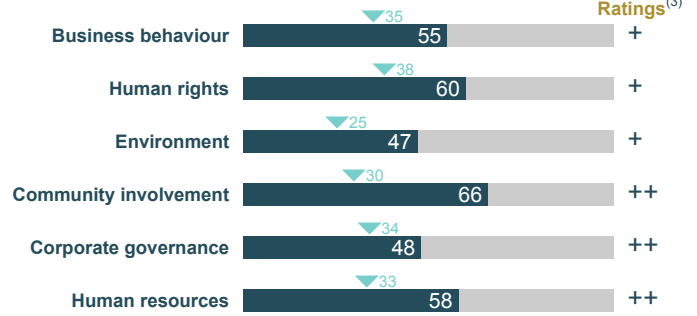


Information rate	93%
sector average	58%
Cooperation level ⁽²⁾	Proactive
High severity controversies	No
Rank in Sector	1/4
Rank in Region	7/890
Rank in Universe	176/4453

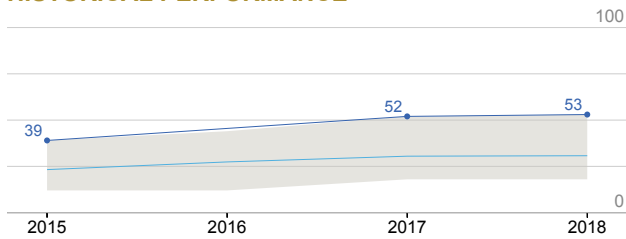
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



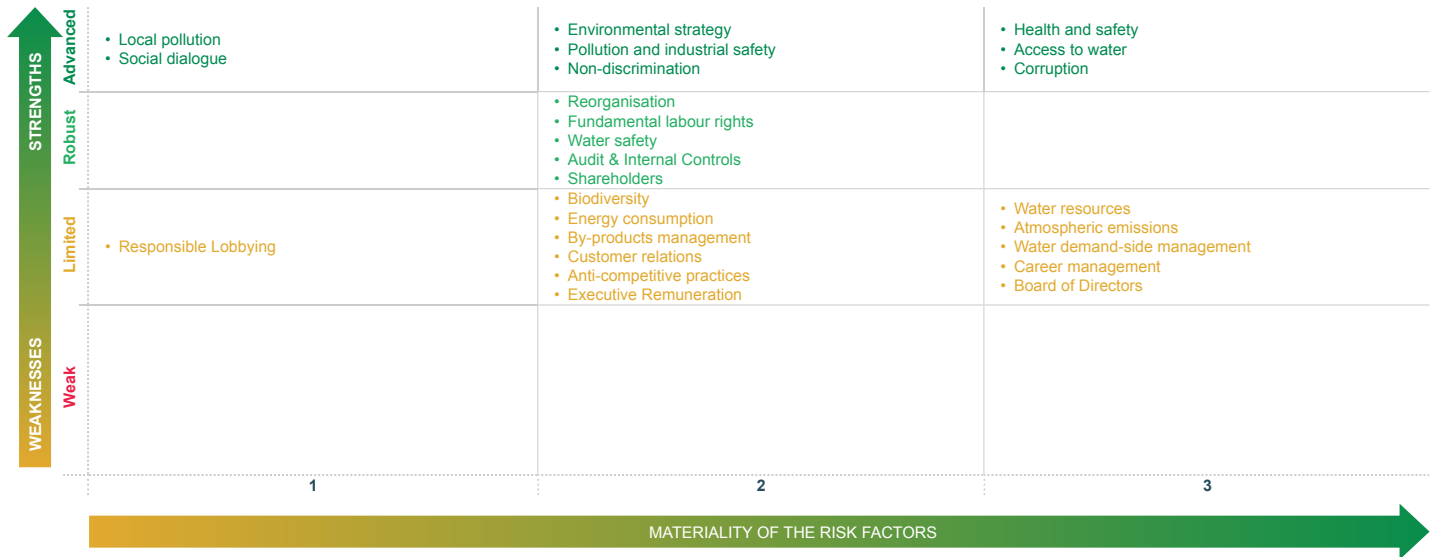
HISTORICAL PERFORMANCE



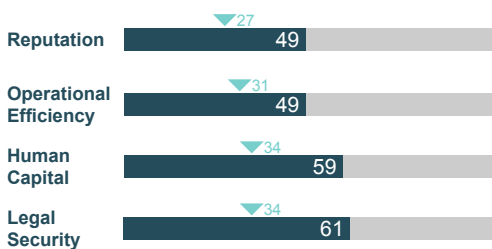
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

Analyst Focus is not available at this time

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "+", "+"
 (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 53/100				Trend	Score	Leadership	Implementation	Results
			Environment				↗	47	43	69	22
E	ENV2.1	3	Water resources				↘	40	48	43	28
E	ENV2.4	3	Atmospheric emissions				↗	36	30	65	12
E	ENV3.1	3	Water demand-side management				↗	43	30	100	0
E	ENV1.1	2	Environmental strategy				↗	71	65	77	N/A
E	ENV1.2	2	Pollution and industrial safety				↗	67	65	79	56
E	ENV1.4	2	Biodiversity				↗	40	30	55	35
E	ENV2.2	2	Energy consumption				↗	40	30	65	24
E	ENV2.5	2	By-products management				↗	42	30	65	30
E	ENV2.6	1	Local pollution				↗	71	100	79	33
			Human Resources				↗	58	55	73	48
S	HRS2.4	3	Career management				→	47	44	58	39
S	HRS3.2	3	Health and safety				↗	68	90	83	31
S	HRS2.3	2	Reorganisation				↗	59	30	83	65
S	HRS1.1	1	Social dialogue				↗	61	30	65	88
			Human Rights				↗	60	29	95	55
S	HRT2.1	2	Fundamental labour rights				↗	52	0	90	65
S	HRT2.4	2	Non-discrimination				↗	68	58	100	45
			Community Involvement				↗	66	76	65	58
S	CIN2.1	3	Access to water				↗	66	76	65	58
			Business Behaviour (C&S)				↗	55	54	59	52
G	C&S3.1	3	Corruption				↗	76	83	67	77
S	C&S1.1	2	Water safety				↗	58	44	65	65
S	C&S1.3	2	Customer relations				↗	44	41	72	20
G	C&S3.2	2	Anti-competitive practices				↗	41	37	44	43
G	C&S3.3	1	Responsible Lobbying					38	48	30	35
			Corporate Governance				→	48	48	36	60
G	CGV1.1	3	Board of Directors				→	48	29	35	79
G	CGV2.1	2	Audit & Internal Controls				→	56	54	83	30
G	CGV3.1	2	Shareholders				↘	50	77	9	65
G	CGV4.1	2	Executive Remuneration				↘	39	43	18	55

Weak (0-29/100) Limited (30-49/100) Robust (50-59/100) Advanced (60-100/100)

Involvement in allegations Involvement in allegations with evidence of corrective measures

**Benchmark
Position versus sector peers**

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
CL0000000035	Aguas Andinas	+	++	+	++	+	++	53
US20441A1025	Sabesp	=	=	+	=	=	-	29
BMG0957L1090	Beijing Enterprise Water	=	-	-	-	-	-	23
HK0270001396	Guangdong Investment	-	-	-	-	-	=	18

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General information

Aguas Andinas, a Chile-based company, is involved in delivering potable water, sewerage and wastewater treatment services to residential, commercial, and industrial customers in Chile. The Company is engaged in the production and distribution of potable water and

collection and treatment of waste water. The Non-water division notably includes services related to environmental analysis, engineering services, as well as distribution of equipment for sanitation and energy projects.

Selected financial data

Key data	Revenues	EBIT	Employees
2016	CLP 492,003m	CLP 224,504m	2,029
2015	CLP 473,397m	CLP 214,270m	1,951
2014	CLP 440,734m	CLP 207,412m	1,881
2013	CLP 403,879m	CLP 183,827m	1,857
2012	CLP 382,886m	CLP 186,713m	1,858

Main shareholders	2016
Inversiones Aguas Metropolitanas S.A.	50.1%
Banco de Chile on behalf of non-resident third parties	11.6%
Banco Itaú on behalf of foreign investors	10.11%
Corporación de Fomento de la Producción	5%
Banco Santander on behalf of foreign investors	3.85%

Geographical Breakdown	Turnover 2016	Employees
Chile	100%	100%

Main economic segment	Turnover 2016
Water	95.3%

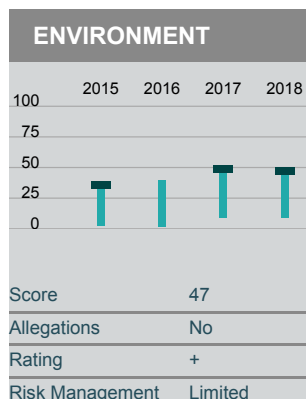
Main economic segment	Turnover 2016
Non-Water	4.7%

Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	N/A	N/A
Executive remuneration linked to CSR performance	Yes	Yes
Ratio of payments to employees vs. shareholders (3-year trend)	N/A	N/A
3-year energy consumption trend (normalized to turnover)	↗	↗
Percentage of independent Board members	28	N/A
Percentage of women on Board	0	N/A
Percentage of women in Executive team	14	13
Percentage of women in workforce	22	22
Transparency on lobbying budget	N/A	N/A
Percentage of employees covered by collective agreements on working conditions	83	86
3 year trend for safety at work	↘	↘
Involvement in armament	No	N/A
Transparency on payment of tax	N/A	N/A

CSR performance per domain

■ Sector performance
■ Company performance
Rating : min- / max ++



Key issues

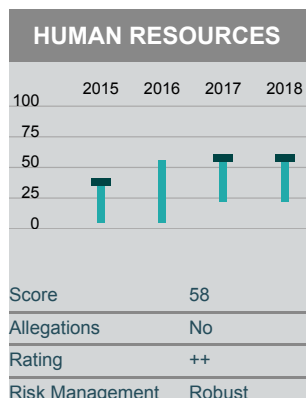
Water utilities have the potential to drive significant positive changes towards sustainable development and environmental protection at the forefront. By reducing water losses and respecting effluents quality regulations, by protecting biodiversity, by reducing energy consumption, by promoting a responsible use of water and by minimising local pollutions, companies ensure the social and environmental sustainability of their activities. Wastewater treatment utilities' are expected to curb methane emissions from their operations, to recover the sludge from sewage stations. Finally, water utilities' activities and their plant management must be handled carefully to avoid pollution through flooding or soil contamination.

Company performance

- The Company's performance in the Environment domain is limited and has improved compared to the previous review.

- The Company has issued a formalised commitment to environmental protection in its Code of Ethics. Furthermore, Aguas Andinas has set up advanced technological systems to detect leakages, and has allocated significant resources to water resources' preservation. Also, the Company conducts technological tests for leak prevention, and repairs the leaks in adductions, drives and feeders. Moreover, Aguas Andinas has allocated significant measures for pollution prevention and control such as annual audits, training for operators, emergency plans, and neutralisation systems. Also, the Company has taken significant measures to encourage reducing water consumption for its clients which include: audits of larger water users, campaigns to help behavioural changes, and tariff systems that encourages water savings. In addition, Aguas Andinas publishes indicators on its emissions, including NOx, SOx, and VOC, though their representativity remains partial. Finally, the Company's greenhouse gas emissions not related to energy consumption have decreased over the past three years.

- Overall, the Company's performance is above the sector average.



Key issues

Safety and health of employees remains a key risk factor in the sector. Similarly, anticipating the ageing workforce and subsequent retirement of highly skilled workers through the development of career management and promotion of employability represents a major sector challenge. Human resources often prove to be the main adjustment variable for companies conducting cost optimisation programmes. As a result, managing reorganisations represents another key challenge. Implementing and maintaining sound systems to promote labour relations is important to the Waste and Water sector, that traditionally benefits from strong well-established industrial relations.

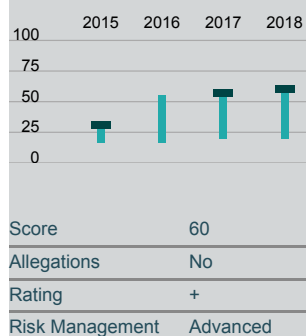
Company performance

- The Company's performance in the Human Resources domain is robust and has significantly improved compared to the previous review.

- Aguas Andinas has experienced considerable improvements in health and safety conditions and has set up quantitative targets for 2017 in terms of decreasing the severity and frequency rate for contractors. The Company has put in place comprehensive measures including campaigns, internal monitoring, and remuneration based on H&S performance in this regard. In addition, rate of absenteeism and stress levels of the employees is measured via surveys and social worker assistance services are provided by the Company. The Company has a performance assessment system that generates instances of career planning and talent development, and the vast majority of the Company's employees received training during 2016. In addition, performance assessment interviews are conducted annually.

- Overall, the Company's performance stands far above the sector performance.

HUMAN RIGHTS



Key issues

Companies active in the Waste & Water Utilities sector should have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights and guarantee freedom of association and the right to collective bargaining. The Waste & Water Utilities sector remains largely male dominated. Discrimination should be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents.

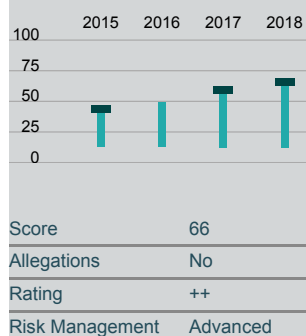
Company performance

- The Company's performance in terms of Human Rights domain is advanced and has improved compared to the last review.

- Aguas Andinas has experienced significant improvement regarding non-discrimination. Actually, the Company has formulated an equality and reconciliation policy and has set objectives in terms of diversity for 2017. The goal is to exceed 32% of women working at the corporate headquarters and increase the number of women in its recruitment process to above 66%. In this regard, advanced measures such as monitoring of salary disparities, flexitime initiatives, and child care facilities are adopted. Moreover, the Company complies with the Chilean law NCh3262 of the management of gender equality and work-life balance, and reports that it seeks to obtain IGUALA certification on gender equality. Moreover, the percentage of women in management positions has increased over the past three years.

- Overall, the Company's performance stands above the sector average.

COMMUNITY INVOLVEMENT



Key issues

Companies active in the water supply and wastewater treatment subsectors face two key challenges in the field of community involvement. On the one hand, companies are expected to commit to ensuring access to water and sanitation in developing countries, notably by funding projects or transferring technology. On the other hand, low income customers are expected to benefit from a particular care from companies, which may put in place specific programmes to guarantee access to its services.

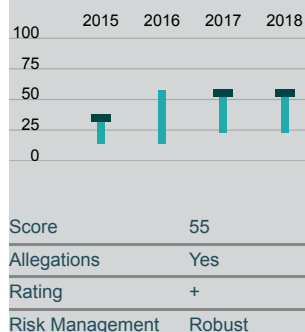
Company performance

- The Company's performance in the Community involvement domain has improved and is now advanced. The Company is no longer evaluated on its contribution to general causes.

- Aguas Andinas has a formalised commitment to address water poverty and access to water in its sustainability report. The Company has allocated financial and human resources to implement training programmes and workshops for rural communities. The Company also participates at the National Rural Potable Water Program promoted by the Ministry of Public Works in order to contribute to the development, social integration and quality of life of rural communities in Chile. Actually, 10,546 families have benefited from this programme in the 3 regions where the Company participates.

- Overall, the Company's performance is above the sector average.

BUSINESS BEHAVIOUR (C&S)



Key issues

Waste and Water companies operate in highly regulated markets. Hence, they are frequently involved in political processes, highlighting the importance of transparency and integrity of lobbying and prevention of corruption and conflicts of interest. In a context of utilities liberalisation, operators may be tempted to violate competition rules to maintain dominant position on their historical markets. Given the complexity of water price setting, and the frequency of interruptions and their implications, companies with end-use customers are expected to maintain transparent and responsible customer relations to improve customer satisfaction and preserve their market attractiveness. Since human health is at stake, water services companies must ensure that distributed drinking water is safe.

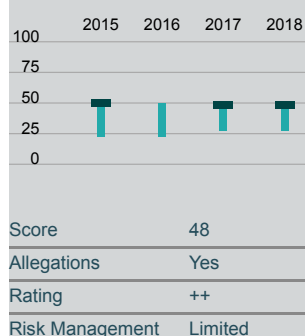
Company performance

- The Company's performance in terms of Business Behaviour is robust and has improved compared to the previous review.

- Aguas Andinas has a formalised commitment to preventing corruption supported by training programmes and workshops for employees and contractors. In 2016, 192 employees of the Company participated in these workshops. In addition, the measures implemented towards this issue are significant and include whistle-blowing, counselling, consultation, and complaints channels, which are both internal and external. The Company displays mixed performance on water safety and customer relations as it displays a formal commitment to both issues in its Code of Conduct. Comprehensive measures have been allocated to maintain and improve water safety including research and development, external safety audits, emergency and crisis management plans in addition to the ISO 22.301 Business Continuity Certification. Concerning its relations with customers, Aguas Andinas organises communication campaigns and uses surveys to measure satisfaction rate. Furthermore, the Company states that it has been investing in projects to increase the number of hours of autonomy from 9 to 32 hours by 2019 in case of unplanned water cuts.

- Overall, the Company's performance stands above the sector average.

CORPORATE GOVERNANCE



Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics. The audit and internal controls system is examined regarding the efficiency and reach of its risk management. Shareholders are expected to have fair voting rights and access to all relevant information on emerging ESG risks. Executive remuneration is assessed for transparency and alignment with balanced stakeholder interests.

Company performance

- The Company's performance in the Corporate Governance domain is limited and remained stable compared to the last review.


- The Company provides training to the board of directors. Furthermore, performance evaluation is conducted twice a year but with no disclosure on the results. During 2016, 15 sessions were held by the board of directors, and the attendance rate reached 98%. The Audit Committee has a comprehensive role, and its members appear to have financial and audit experience and relevant operational experience. However, the Company does not have a Nomination Committee. The Nomination of Directors is the responsibility of Shareholders, and top management is selected by the Administration. Furthermore, the Board of Directors diversity appears to be partial since there is no women in board. The Board is considered to be 28% independent, and the executive remuneration is not disclosed on an individual basis and not voted upon at the AGM.


- Aguas Andinas has faced two allegations during the period under review. The Company communicates transparently on both of the cases.



- Overall, the Company's performance stands far above the sector performance.

CSR performance per criterion

Detailed Analysis

Environment		11
ENV1.1	Environmental strategy	11
ENV1.2	Pollution prevention and industrial safety	13
ENV1.4	Protection of biodiversity	15
ENV2.1	Protection of water resources	17
ENV2.2	Minimising environmental impacts from energy use	19
ENV2.4	Management of emissions from wastewater basins, landfills and waste incineration	21
ENV2.5	Management of by-products from processes	23
ENV2.6	Management of local pollution	24
ENV2.7	Management of environmental impacts from waste transportation	25
ENV3.1	Water demand-side management	26
Human resources		27
HRS1.1	Promotion of labour relations	27
HRS2.3	Responsible management of reorganisations	29
HRS2.4	Career management and promotion of employability	31
HRS3.2	Improvement of health and safety conditions	33
Human rights		36
HRT1.1	Respect for human rights standards and prevention of violations	36
HRT2.1	Respect for freedom of association and the right to collective bargaining	37
HRT2.4	Non-discrimination	39
Community involvement		41
CIN1.1	Promotion of the social and economic development around landfills	41
CIN2.1	Access to water and sanitation	42
Business behaviour (C&S)		45
C&S1.1	Water safety	45
 C&S1.3	Responsible Customer Relations (security of supply and customer complaint handling)	47
C&S3.1	Prevention of corruption	50
C&S3.2	Prevention of anti-competitive practices	53

C&S3.3	Transparency and integrity of influence strategies and practices	55
Corporate governance		57
CGV1.1	Board of Directors	57
 CGV2.1	Audit & Internal Controls	60
CGV3.1	Shareholders	62
CGV4.1	Executive Remuneration	63

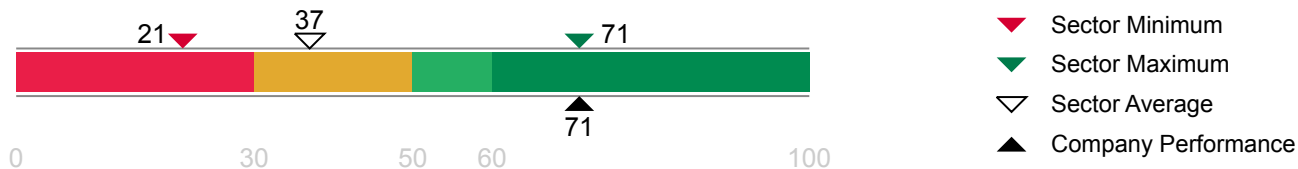
 Involvement in allegations  Involvement in allegations with evidence of corrective measures

Environment

Score: 47

ENV1.1 Environmental strategy

(score: 71, weight: 2)



Visibility of commitment to environmental protection

The Company has issued a formalised commitment to environmental protection in its Code of ethics, and the Company's Quality, Safety and Environment Manual. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The Company's commitment towards environmental protection covers all the challenges linked to its activities:

- Pollution prevention and control
- Protection of biodiversity
- Minimising environmental impacts from energy use
- Waste management
- Water demand-side management
- Protection of water resources

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to environmental management

The company has allocated comprehensive resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

Environmental manual specifying procedures and responsibilities: The Company has a Quality, Safety and Environment manual which defines the different procedures and responsibilities set by the Company.

Internal audits that assess the effectiveness of the EMS: Aguas andinas claims to conduct auditing for ISO 9001, ISO 14001 and OHSAS 18001 on an annual basis.

Management review of the EMS: The Company reports that the senior management reviews the EMS on a quarterly basis.

Environmental performance measured against targets: Aguas Andinas claims to measure its environmental performance against targets. For example, the Company has six indicators on the amount of sludge sent to landfills, and reuse of biosolids.

External verification of reporting on environmental performance: Anguas Andinas reports that its EMS are externally evaluated once a year. This include the evaluation of ISO 9001, ISO 14001 ISO 50001, ISO 22301 and OHSAS 18001 certifications.

Resources allocated to eco-efficient technologies

The Company states that it generates bio-gas in its sewage treatment plants. Parallel to the production of electricity or methane gas, thermal energy is also produced via hot water or steam, which is used in the maintenance of the plant's sludge treatment processes. Additionally, a Methanization Plant is being built in the La Farfana sewage treatment plant. In terms of leak detection, this is part of the Company's Hydraulic Efficiency Plan which seeks to decrease losses to 20%. However, the Company does not disclose any data related to research and development investments.

Coverage of certified environmental management systems

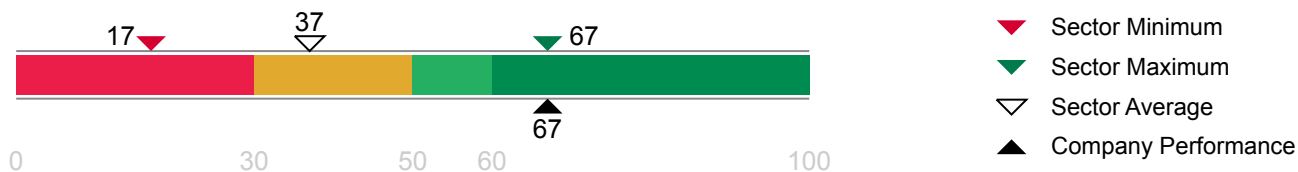
The Company reports that 100% of its production sites are covered by a certified environmental management system.

Leadership	65
Visibility	65
Relevance	100
Ownership	30

Implementation	77
Means & resources	65
Coverage	100

ENV1.2 Pollution prevention and industrial safety

(score: 67, weight: 2)



Relevance of commitments on pollution prevention and control in wastewater treatment sub sectors

The Company's commitments to addressing pollution prevention and control in its waste water activities cover floodings of sewage stations and leakages from the Company's wastewater network.

Means allocated to pollution prevention and control

Comprehensive resources are allocated to pollution prevention and control:

- pollution control audits
- training
- risk assessment/identification studies
- implementation of risk prevention procedures (emergency plans, simulation exercises)
- financial guarantees to cover long term potential impacts
- installation or maintenance of pollution prevention devices (such as containment basins, investment to upgrade sewer network,etc)

Pollution control audits: The Company states that environmental audits are periodically (once every three months approximately) carried out in plants with environmental qualification resolution. Moreover, there are two annual audits through the Company's integrated management system;

Training: Aguas- Andinas reports that it annually conducts environmental training for its operators;

*Risk assessment/identification studies:*The Company reports that there is a formal environmental risk matrix for each of the plants that are certified by ISO 140001.

Implementation of risk prevention procedures (emergency plans, simulation exercises): Aguas-Andinas reports to have guides for Fast Action, in which environmental emergency plans are included for different situation that may occur;

Financial guarantees to cover long term potential impacts: Aguas Andinas has physical asset and civil responsibility insurance policies;

installation or maintenance of pollution prevention devices: The Company reports to have preventive systems like: level sensors, daily measurements, monitoring of groundwater sources, neutralization systems, spill response kits, among others.

Coverage

The company has allocated resources to pollution prevention and control throughout the company.

The measures taken by the Company for pollution prevention and industrial safety cover all of the company's sites.

Existence of accidental pollution

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Corrective measures after significant accidental pollution.

The company has implemented corrective measures in response to this environmental pollution.

There was a fuel spill in Talagante Sewage treatment Plant in March 2014. The spill was detected by the Company's periodic monitoring of the groundwater. Once this was detected, the Company proceeded to identify the source of the spill, stop it, and retain the visible fuel. Once this was conducted, the Company removed the contaminated land and extracted and filtered the groundwater. Once the contamination has been overcome, the land was covered and the groundwater continued to be controlled through wells for the next three months.

Rehabilitation of accidentally polluted soils.

In addition to a historical review of its polluted soil and remediation and control measures, the company compensates affected residents and communities.

The Company reports that the polluted soil is removed and taken to be treated by companies who treat dangerous residues. After this, the polluted soil is replaced with soil from another location. In addition, The Company has conducted historical reviews of polluted soil and groundwater and conducted cleaning processes. The Company has had to compensate affected residents in 2011 after a lawsuit which was presented in 2004 by the neighboring community of the La Farfana wastewater treatment plant. The Company paid CLP\$1,066 million to the neighboring community of Villa Alto Jahuel de Pudahuel. The issue was related to odours produced due to operation problems. Aguas-Andinas states that these issues were solved.

Leadership	65
Relevance	65

Implementation	79
Means & resources	65
Coverage	100

Results	56
Performance	30
Trends	65

ENV1.4 Protection of biodiversity

(score: 40, weight: 2)



Relevance of commitment to biodiversity protection.

The company's commitment towards biodiversity protection is general.

- Prevention of loss and fragmentation of sensitive habitats (from impacts on water reservoirs, dams, landfill sites, etc.)
- Prevention of negative impacts on threatened and endangered species
- Interruption to the dynamics of native populations (breeding, feeding, negative consequences from invasive species, etc.)
- Restoration of ecosystems
- Valuation of interdependence with ecosystem services

Managerial tools allocated to integrate biodiversity in operations

The company has implemented some measures to identify its impacts and integrate biodiversity into the management of operations, such as:

- Environmental impact assessments/ risk mapping (includes mapping of ecosystem services)
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

Environmental impact assessments/ risk mapping: The environmental impact of the Company's projects is evaluated through the Environmental Impact Assessment System (SEIA). If there is any modification that generates some kind of environmental impact that has not been evaluated previously, it is re-evaluated in order to ensure that the change does not affect the different environmental components, among them, biodiversity.

Monitoring of biodiversity indicators: Aguas Andinas annually reports biodiversity activities in its Sustainability Report. The Company also reports on the Richness, Absolute and Relative Abundance of Birds in the La Farfana and Melipilla Environmental Lagoons as a key diversity indicator.

Local measures taken to protect biodiversity

The Company has implemented some measures to limit the impacts of its operations on biodiversity, such as:

- *Responsible vegetation management surrounding infrastructure: Aguas Andinas reports that it has been conducting responsible vegetation management surrounding its plants.*

- *Monitor and mitigate the impact of effluents on biodiversity: The company has mentioned that it conducts biodiversity monitoring in El Canelo, El Rutal, Melipilla, and La Farfana.*

Coverage of means allocated to biodiversity protection All of the company's relevant sites or operations are covered by these measures.

Information obtained from company and public sources regarding biodiversity indicators on sites of operations is insufficient.

Results with regard to biodiversity protection

The information provided by the Company shows a decrease in richness and absolute abundance of certain birds in La Farfana Environmental Lagoon. In addition, data on birds in Melipilla Lagoon is available for the year of 2016.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	30
Relevance	30

Implementation	55
Means & resources	30
Coverage	100

Results	35
Performance	35

ENV2.1 Protection of water resources

(score: 40, weight: 3)



Relevance of commitment in terms of leakage prevention

The company has set objectives on leakage prevention and these cover the entire group.

The Company aims to be at the level of the most efficient and modern companies in the world, which hold an 80% efficiency by 2020.

Relevance of commitment in terms of water preservation linked to catchments and effluents

The Company commits to treats 100% of all sewage that comes into its treatment plants. The goal of sewage treatment is to purify and decontaminate the water collected before being reintegrated into waterways in a safe and optimal manner both for the environment and for people, complying with the rules and standards in force.

Means allocated to leakages.

The company has set up advanced technological systems to detect leakages.

- Hydraulic Efficiency Plan: During 2014, Phase I began, consisting of the elaboration of the Hydraulic Efficiency Project, which is based on a series of test pilots that will allow for the adjustment of the methodology, technology, and procedures and whose results and conclusions will be incorporated in the construction stage of the plan. In the following years, between 2016 and 2020, Phase II will involve the construction of the Master Hydraulic Efficiency plan which will culminate in Phase III with the plan's entry into operation. In addition, The company performs the following: Technological tests for leak prevention, repair of leaks in adductions, drives and feeders, overflow program for aqueducts and tanks and programs for the inspection and repair of aqueducts.

Coverage

The company has taken such measures at a majority of the company's sites.

Means allocated to water resources' preservation (catchments and treated effluents)

Information obtained from company and public sources regarding means allocated to water resources' preservation (catchments and treated effluents).

Coverage of water resources' preservation measures.

Water leakages

The Company's water losses per mains length has decreased but not continuously by 5 % between 2014 and 2016. It stood at 42 (m³/Km/day) in 2016.

Biochemical oxygen demand (%)

According to the Company's reporting, the actual biochemical oxygen demand quantity in water for Planta Mapocho - Trebal and planta la Farfana has increased during the past five years.

Stakeholders' feedback

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	48
Relevance	48

Implementation	43
Means & resources	43
Coverage	42

Results	28
Performance	28

ENV2.2 Minimising environmental impacts from energy use

(score: 40, weight: 2)



Relevance of commitment in terms of reducing its energy consumption.

The company has set quantified targets with regard to its energy consumption, but these do not cover the entire group.

Aguas Andinas ratified its Energy Efficiency Policy in the sustainability report. It is also mentioned in the Company's Sustainability Policy "Efficient Environmental Management that the company always seeks to operate efficiently, minimize negative environmental impacts and promote innovation in order to reduce our environmental footprint. The Company has set quantitative targets related to the reduction of energy consumption, specifically in the La farfana wastewater treatment plan. The goal is to reduce the plant's global energy consumption by 2% by the end of 2017.

Relevance of commitment in terms of reducing its energy-related emissions.

The company's commitment to reduce its energy-related emissions is general.

Means allocated.

The company has set up advanced systems to reduce its energy consumption and/or its related emissions.

The Company states that it has put in place an Energy management system for continuous improvement of energy performance and fulfillment of objectives. The system has obtained certification under ISO 50001 at the La Farfana Wastewater Treatment. In addition, Aguas Andinas generates bio-gas in its sewage treatment plants. Parallel to the production of electricity or methane gas, thermal energy is also produced via hot water or steam, which is used in the maintenance of the plant's sludge treatment processes. Besides, the company uses cogeneration in its Trebal-Mapocho Plant to reduce its energy consumption.

Coverage

The Company's Energy Efficiency Policy encompasses all of the Company's operations. However, the biogas generation is only mentioned at the Mapocho-Trebal, La Farfana and Talagante wastewater treatment plants. Of note, in 2016 the three cogeneration engines of Trebal Mapocho plant produced 45,990,665 kWh of electrical energy. This energy reportedly covered 78.44% of the energy needed for the plant's operation.

Energy consumption

The Company's energy consumption, normalised to volume of water produced, has increased but not continuously by 2% between 2014 and 2016. It stood at 0.68 (GWh/M m3) in 2016.

GHG emissions linked to energy consumption (direct AND indirect*, when applicable)

The Company's GHG emissions (direct and indirect) linked to energy consumption, normalised to turnover, have decreased but not continuously by 2% between 2014 and 2016. It stood at (0.124 KT/M euros) in 2016.

SO2 emissions linked to energy consumption

The Company's SO2 emissions, normalised to turnover, have decreased but not continuously by 17% between 2014 and 2016 down to 6.42 (Kg / M Euros). Of note, the selected data are related to hours of operation at Frarana and Trebal-Mapocho sites. Moreover, it is unclear what part of these emissions are related to biogas flaring and what part relates to biogas energy recovery processes.

NOx emissions linked to energy consumption

The Company's NOx emissions, normalised to turnover, have decreased but not continuously by 4% between 2014 and 2016 down to 13.95 (Kg / M Euros). Of note, the selected data are related to hours of operation at Frarana and Trebal-Mapocho sites. Moreover, it is unclear what part of these emissions are related to biogas flaring and what part relates to biogas energy recovery processes.

Leadership	30	Implementation	65	Results	24
Relevance	30	Means & resources	65	Performance	24
		Coverage	65		

ENV2.4

Management of emissions from wastewater basins, landfills and waste incineration

(score: 36, weight: 3)



Relevance of commitment in terms of reducing atmospheric emissions.

The Company's commitment to reduce its atmospheric emissions is general and not specific to emissions not related to energy consumption.

Means allocated to reduce for its atmospheric emissions

The company has set up monitoring systems for its atmospheric emissions, and has technological systems in place such as end-of-pipe processes to reduce its impacts.

The Company reports indicators on its emissions, including NOx, SOx, and VOC. In addition, the company has biogas recovery and utilisation systems in place at two wastewater treatment plants. Finally, the gases emanating from the combustion of the engines are used to generate thermal energy through the steam.

Coverage

The company has taken such measures at a majority of the company's sites.

The Company has taken these measures in two main waste water treatment plants: Mapocho-Trebal and La Farfana.

Volatile Organic Compounds (VOC) emissions

The Company's VOC emissions, normalised to turnover, have increased between 2015 and 2016. It stood at 0.0858 kg/M euros in 2016. Of note, the selected data is related to hours of operation at la Farfana site. In addition, the amount of VOC emissions for 2014 is not disclosed by the Company.

Greenhouse gas emissions* NOT RELATED to energy consumption (in CO2 equivalent)

The Company's greenhouse gas emissions not related to energy consumption, normalised to turnover, have decreased but not continuously by 15 % between 2014 and 2016. It stood at 297.1 (t/M euros).

Emissions of substances responsible for acid rain NOT RELATED to energy consumption (SO2, NOx)

Information obtained from company and public sources regarding emissions of substances responsible for acid rain is insufficient.

The Company's NOx emissions, normalised to turnover, have decreased but not continuously by 4% between 2014 and 2016 down to 13.95 (Kg / M Euros). The Company's SO2 emissions, normalised to turnover, have decreased but not continuously by 17% between 2014 and 2016 down to 6.42 (Kg / M Euros). Of note, the selected data are related to hours of operation at Frarana and Trebal-Mapocho sites. Moreover, it is unclear what part of these emissions are related to biogas flaring and what part relates to biogas energy recovery processes.

Leadership	30	Implementation	65	Results	12
Relevance	30	Means & resources	65	Performance	12
		Coverage	65		

ENV2.5 Management of by-products from processes

(score: 42, weight: 2)



Commitment to manage waste resulting from wastewater treatment activities

The company's commitment to manage waste is general.

The Company reports two main targets which are related to the management of sludge. The first one is to increase the percentage of bio-solids sent for agricultural use to 100 %. The second target is to reduce the amount of sludge going to landfills by 10%. However, Aguas Andinas has not set deadlines for its targets.

Means allocated to the management of waste resulting from waste treatment and wastewater treatment activities

The company has set up monitoring systems for its waste production, and has technological systems in place such as end-of-pipe processes to reduce its impacts.

As a result of by-product of the digestion process, bio-gas is generated, which allows the Company to power the cogenerators at one of the plants and produce the electrical energy necessary to self-supply part of the internal consumption. In addition, the sewage treatment process produced a quantity of 303,214 tons of biosolids, a by-product of the purification process, classified as non-hazardous waste. More than 43% of the amount was used for agricultural reuse.

Coverage

The company has taken such measures at a majority of the company's sites.

Data reported by the Company regarding biogas recovery system covers the Mapocho-Trebal, La Farfana and Talagante wastewater treatment plants.

Efficiency of the company's wastewater treatment activities

The company's share of wastewater recovered resulting from wastewater treatment activities has been stable over the past years.

The Company monitors the share of biosolids recovered and reused for agriculture reuse, it stood at 43.8% in 2016.

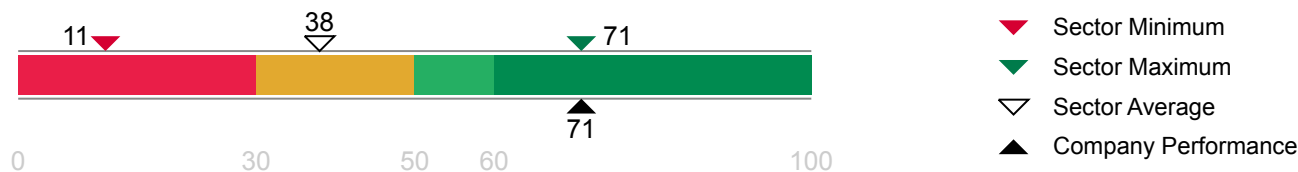
Leadership	30
Relevance	30

Implementation	65
Means & resources	65
Coverage	65

Results	30
Performance	30

ENV2.6 Management of local pollution

(score: 71, weight: 1)



Relevance of commitment to reducing its local pollution

The Company's commitment relative to controlling its local pollution focuses on all relevant nuisance sources of local pollution for the sector: Aguas Andinas is committed to diminish from local pollution related to noise, odours, landscape aesthetics, liquid emissions and gas emissions. This latter is reflected in the Company's integrated Management System. The Company reports that its policy is in compliance with the environmental legislation and regulations.

Means allocated

The company has set up monitoring systems for its local pollution and has technological systems in place such as end-of-pipe processes to reduce its impacts.

Regarding the odours generated by the Company's operations, the impact is measured through equipped panels which register the levels of smells, the analysis of odorous gases, and through models. In addition, Aguas Andinas invested in deodorization systems in diverse processes in various plants. In terms of noise, the company has conducted diverse noise measurements and according to these, has implemented acoustic absorption systems. Moreover, in terms of landscaping, the company reports that it includes vegetation barriers in its projects in order to reduce their visual impact.

Coverage

The company has taken such measures throughout the company.

The Company reports that such measures are implemented in all of the company's sites.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Odour emissions

Information obtained from company and public sources regarding odour emissions at the company's sites is insufficient.

Aguas Andinas does not disclose data regarding its odour emissions. However, the company reports that it will be able to provide yearly data on this metric starting 2018.

Leadership	100
Relevance	100

Implementation	79
Means & resources	65
Coverage	100

Results	33
Performance	32

ENV2.7 **Management of environmental impacts from waste transportation** (deactivated)

Aguas Andinas supplies and treats water. This sustainability driver is therefore not analysed for this Company.

ENV3.1 Water demand-side management

(score: 43, weight: 3)



Relevance of commitments related to the limitation of water demand.

The company's commitment to limit water demand is general.

Aguas Andinas assumes responsibility in promoting greater awareness of the value of water and its responsible use.

Materiality of means on responsible water demand.

The company has taken 4 or 5 measures to encourage reducing water consumption.

- assistance to technical changes
- audits of larger water users
- install metering systems
- campaigns/programs to help behavioural changes
- tariff systems that encourage water savings

- Audits of larger water users: During 2016, the Company has started a Remote Reading Program (IMETER) for a relevant segment of large water users. The Company will be able to constantly monitor its largest clients thanks to this technology.

- Install metering systems: The Company reports that it installs new meters to some of its clients each year. This includes changes due to massive contracts and those with households.

- Campaigns/programs to help behavioural changes: Aguas Andinas implements a series of programs and communication initiatives to educate and influence the region's inhabitant habits and attitudes, creating a greater awareness of the shared responsibility for the care of the resource.

- Tariff systems that encourage water savings: The company reports that it respects the over-consumption tariff established by the Chilean government. This tariff is applied during the period from December to March (summer months). This variable charge applies to excessive water consumption when compared to a value exceeding 40 m³ / month.

Coverage with regard to measures limiting water demand

The means on responsible water demand allocated by the Company cover all its operations.

Results of demand-side management programmes

The cost of conservation programmes normalised to turnover has decreased but not continuously by 13% between 2014 and 2016. It stood at 0.0073 (M Euros / M Euros) in 2016.

Leadership	30	Implementation	100	Results	0
Relevance	30	Means & resources	100	Trends	0
		Coverage	100		

Human resources

Score: 58

HRS1.1 Promotion of labour relations

(score: 61, weight: 1)



Visibility of commitment

Aguas Andinas' has made references to labour relations in its website.

Relevance of commitment

The company's commitment to promote labour relations is general.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Communications, Public Affairs and CSR Corporate Management is responsible for the oversight of the Sustainability Policy and the Social Dialogue Policy.

Coverage of employee representative bodies

Local employee representative bodies have been set up in the majority of company sites.

The Company reports that 85% of employees are unionized in 2017.

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to the quality of the work environment, including:

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

The company engages with non-independent employee representative bodies in countries with restrictive legislation.

Aguas Andinas only operates in Chile & reports that 85% of its employees are part of unions.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover more than 75% of its employees.

85% of Aguas Andinas' employees are unionized in 2017 and are covered by collective agreements.

Leadership	30
Visibility	30
Relevance	30
Ownership	30

Implementation	65
Means & resources	30
Scope	100
Coverage	65

Results	88
Performance	88

HRS2.3 Responsible management of reorganisations

(score: 59, weight: 2)



Relevance of commitment to manage reorganisations responsibly

The company commits to minimising the number of lay-offs and redundancies.
The Company commits to manage reorganisations responsibly.

Involvement with employee representatives

The company commits to informing and consulting employee representatives on reorganisations. However, no commitment to negotiate with employee representatives on reorganisation is visible.
Aguas Andinas complies with the Chilean model of shift work. This latter model implies the agreement and signature of the unions before any reorganisation is conducted. In its answers to Vigeo Eiris, the Company claims to negotiate with employee representatives in the event of reorganisation.

Means allocated to prevent and manage reorganisations

The company has allocated extensive measures to limit the impacts of reorganisations:

- significant financial compensation
- early retirement
- changes to working hours
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

- *Significant financial compensation: Aguas Andinas claims to provide monetary compensation for employees that might be fired due to a reorganization.*

- *Early retirement: In its answer to Vigeo Eiris, Aguas Andinas claims that workers who are three years from legal retirement age are granted a benefits package that includes compensation of years of service.*

- *Changes to working hours: changes in working hours might occur, but only if the organisation requires it. The Company claims that it provide its employees with a 30 days notice.*

- *Internal mobility programme: In the case of a reorganisation, the company communicates that it strives to move staff internally in order to fill the new job opportunities.*

- *Individualised follow-up of employees: Aguas andinas claims that it conducts individualised follow-up of employees via SGD Crecer Program. This latter programme enable the company to assess the development of its employees in their new roles.*

- *Re-training: Aguas Andinas communicates that re-training is provided after reorganisations to enable the workers to adapt to their new roles and teams.*

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Result of the company's commitment to manage reorganisations responsibly

The company has been able to avoid layoffs or dismissals.

The information on measures implemented to limit the impacts of reorganisations recently conducted is insufficient, but its workforce has increased since 2014.

Leadership	30
Relevance	30
Ownership	30

Implementation	83
Means & resources	100
Coverage	65

Results	65
Performance	65

HRS2.4 Career management and promotion of employability

(score: 47, weight: 3)



Visibility of commitment

The Company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its Sustainability report and in the Sustainability Policy disclosed on its website.

Relevance of commitment

The company's commitment to promoting career management and training is general.

- Ensure training, life-long learning and employability
- Promote career development
- Anticipate long-term employment needs and skill requirements (ageing workforce)
- Put in place a concerted career management framework, which is transparent and individualized

The Company states that its comprehensive talent management program is made up of a set of programs linked to the recruitment and selection processes, performance assessment systems, career development and training plans, and knowledge of the management processes.

Ownership of commitment

The Head of HR is part of the company's Executive Committee. However line managers are not evaluated on their performance in terms of HR management.

Career management systems

The Company has formalised the skill requirements for the various job positions. In addition, performance assessment interviews for employees are conducted annually. The company has a performance assessment system, called "SGD-Greecer" that contributes to the achievement of the company's strategic objectives through a management tool that detect gaps between the current and expected performance of each worker, generating instances of career planning and talent development.

Coverage of career management systems

These career management systems cover a majority of the company's employees.

According to the Company, 97% of the employees followed the regular performance assessment process during 2016.

Types of training provided to non-managers

The Company states that it has a number of programs divided into three general categories: technical, regulatory and behavioural, which are part of the annual training plan. In addition, Aguas Andinas claims that it has several programmes through which its employees can obtain certifications or degrees. In 2016, the Water Technology and Management Master's degree is accessible for Aguas Andinas employees. The programme include online sessions and content in

e-learning mode.

Means allocated to training for all employees

The number of training hours per number of employees have decreased by 4% from 2014 to 2016. It stood at 71233 hours in 2016.

Mobility / turnover

The employee turnover rate has increased by 5.1 percentage points from 2014 to 2016. It stood at 13.30 % in 2016.

Training delivered during the year under review

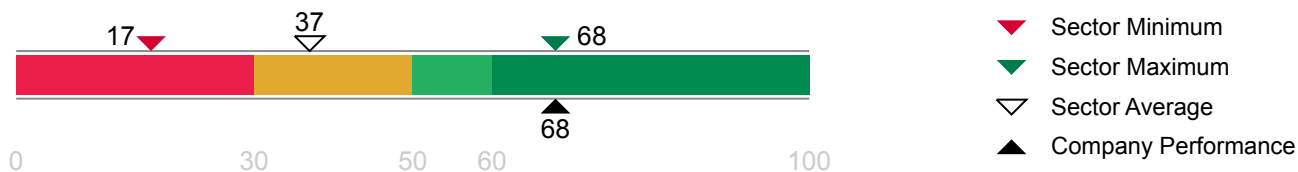
The majority of the company's employees received training during the year under review.

81 % of the Company's employees have received a training during 2016.

Leadership	44	Implementation	58	Results	39
Visibility	100	Means & resources	32	Performance	39
Relevance	30	Scope	100		
Ownership	30	Coverage	65		

HRS3.2 Improvement of health and safety conditions

(score: 68, weight: 3)



Visibility of health & safety commitments

The Company has made a formalised commitment to health and safety issues in its Code of ethics, its Sustainability Policy and its Health and Safety Policy. In addition, the Company has set up quantitative targets for 2017 which are: Reduce the Frequency Rate to less than 5, Reduce the Severity Rate to less than 0.19. Reduce the Frequency Rate for Contractors to less than 13 and Reduce the Severity Rate for Contractors to less than 0.29. The Company communicates that all of these targets have been set for 2017.

Relevance of commitment

The company's commitment addresses its main responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- prevent occupational disease
- reduce stress/promote well-being
- ergonomics

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level.

13 Health and Safety Parity Committees are formally constituted and who together account for 100% of the Company's staff. This H&S committee is made up of six workers' representatives and six Management's representatives, they have the responsibility to take action in common accordance, leading to prevent and control occupational hazards generated in the processes and operations execution.

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system and employee incentives:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

- Awareness raising programmes: During 2014, the company promoted an Incident Report campaign and the Plan for the Strengthening the Rules that Save Lives, in strategic alliance with the Chilean Safety Association (ACHS) and the Polytechnic University of Catalonia (UPC).

- internal monitoring: The Company monitors the number of accident with time lost, number of days lost due to accidents, accident rate, and disaster rate.

- risk assessments: The Company has identified the main risks of accidents and occupational disease, by way of establishing the action lines to ensure prevention.

- *Internal H&S audits: The Company conducts two internal health and safety audits and one external audit every year as part of the Company's Integrated Management System.*
- *Remuneration based on H&S performance: The Company recognises performance in health and safety indicators part of the variable components of remuneration.*
- *OHSAS 18001 certifications: The Health and Safety Policy and the Strategic Plan of Occupational Risks (PRL) is certified under OHSAS 18001.*
- *Awards won: The Company won the Rosalindo Fuentes Silva Annual Award of the national security council in 2016.*

Coverage of health and safety system

Measures including training, monitoring and risk assessment are reported to cover all of the Company's site. However, the coverage of OHSAS 18001 certifications and awards won is not clear.

Means allocated to reduce stress at work

The company has allocated significant means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees
- training on stress for managers
- measures to improve ergonomics/ ergonomic design of workplaces

- *Monitoring of absenteeism/rate of occupational disease: In its answers to Vigeo Eiris, Aguas Andinas states that zero cases of occupational disease have been recorded. Furthermore, the Company monitors its rate of absenteeism.*
- *Monitoring of stress through opinion surveys: The Company claims to apply the psychosocial ISTAS 21 model to identify variables that may negatively affect the employees. Stress agents are included within these variables.*
- *Awareness raising: The results of the Psychosocial ISTAS 21 Model Survey mentioned above are shared among employees. Besides, awareness raising programmes on drugs and alcohol prevention is in place.*
- *Identification of stress sources: The opinion survey adopted by Aguas Andinas enables the identification of factors that may cause stress.*
- *stress support instruments (hotline, counselling service, employee assistance programme, etc): The Company reported to provide social worker assistance services for its employees as one of its measures to reduce stress and promote well being.*

Of note, the Company reports it provides kinesiological therapy for its operators.

Coverage of means allocated to address mental health

The measures allocated to address mental health cover all of the company's employees.

Accident frequency rate

The Company's total recordable injury frequency rate has decreased but not continuously by 9 % between 2014 and 2016. it stood at 5.05 (/200,000 hwwkd).

Accident severity rate

Aguas Andinas' severity rate has decreased but not continuously by 27% between 2014 and 2016. It stood at 25.15 per 200,000 hours worked in 2016.

Absenteeism/Occupational disease

The Rate of absenteeism has increased by 0.05 percentage points between 2014 and 2016. It stood at 4.55 % in 2016.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	90	Implementation	83	Results	31
Visibility	100	Means & resources	82	Performance	31
Relevance	65	Coverage	82		
Ownership	100				

Human rights

Score: 60

HRT1.1 **Respect for human rights standards and prevention of violations**

(deactivated)

Aguas Andinas operates in Chile which is not considered at risk by international organisations active on human rights issues.

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 52, weight: 2)



Visibility of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

Ownership of commitment

Monitoring

The company has implemented permanent measures, with third-party involvement, to monitor the respect of freedom of association within its operations:

- occasional risk mapping
- occasional internal audits
- on-going monitoring of labour rights risks
- regular internal audits
- external audits/verification
- external investigation of allegations
- cooperation with unions: joint audits, joint grievance procedures etc.

On-going monitoring of labour rights risks: Aguas Andinas reports to conduct audits frequently. Furthermore, these audits are commissioned to external agencies. Detected violation are denounced by union leaders via internal channels & Directorate of labour.

Cooperation with unions: joint audits, joint grievance procedures etc: The company reports to work with unions to prevent any violations of the human rights.

Promotion of collective bargaining

The company has provided resources to ensure that employees receive information on trade union rights (e.g.: dedicated intranet) and are able to exercise these (e.g.: infrastructure, time).

Aguas Andinas reported to promote collective bargaining by sending Union representatives to participate in the Labour Leadership Certificate. In addition, the Company has allocated an intranet space for union representatives where they can learn more about their rights. Physical space is provided by the Company whenever unions decide to conduct assemblies or hold meetings.

Coverage

The Company reports that it has considered the on-going monitoring of labour rights risks, and cooperation with unions in all of its operations.

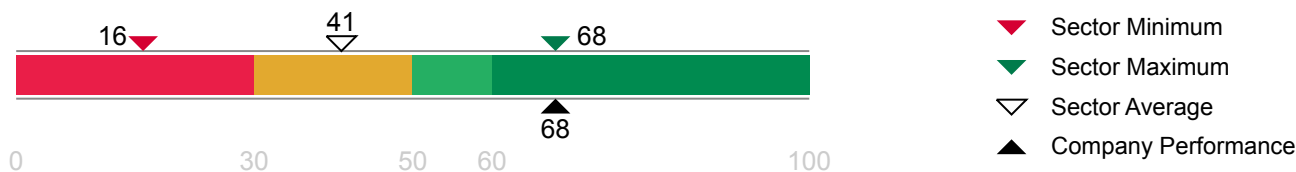
Stakeholders' feedback

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	90	Results	65
Visibility	0	Means & resources	85	Performance	65
Relevance	0	Coverage	100		
Ownership	0				

HRT2.4 Non-discrimination

(score: 68, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Code of Ethics. The company has also an equality and reconciliation policy. In addition, the Company set two targets on diversity for 2017:

To exceed 32% of women working at the corporate headquarters by the end of 2017.

To increase the number of women in its recruitment process to above 66% by the end of 2017.

Finally, the Company is a signatory of the Global Compact and communicates on its principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines some of the categories at stake for the sector:

- gender
- sensitive medical conditions
- trade union membership or activities
- migrant workforce
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

The company's Selection/Recruitment Policy specifically states that the group ensures equality of opportunities for its employees. Therefore ensures non-discrimination by gender, age, origin, or religion. Furthermore, the Company's "Gender Equality and Reconciliation of Work, Family and Personal Life Policy" states that there is no type of discrimination based on gender, race, political or religious beliefs or any other concept that that infringes upon the dignity of workers fundamental rights.

Moreover, the company refers to Chilean law NCh3262 on the management of gender equality and work-life balance, and reports that that it seeks to obtain IGUALA certification on gender equality.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The company states that the Organization and Human Resources Department is in charge of ensuring non-discrimination and promoting diversity.

Means allocated

The company has set up extensive measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- *Awareness raising: The Company has conducted different internal communication campaigns in order to foster gender equality and non-discrimination.*

- *Training: Aguas Andinas stated that, during 2017, Human Resources department has sensitised and orientated internal stakeholders regarding recruitment processes so that these are conducted without discrimination and considering at least one woman in each process.*

- *Monitoring: The company monitors indicators related to the gender balance in its workforce.*

- *Confidential reporting system: The company has a complaint channel which is available on the company's website which allows anyone to file a report.*

- *Flexitime initiatives: Aguas Andinas has a teleworking initiative for employees to work from home one day a week. Additionally, during summer, summer Fridays apply, meaning that from the first Friday in December, workers can leave work at 2 pm on Fridays.*

- *Child care facilities/Child care subsidies: The company has provided kindergarten for mothers with children up to 5 years old as well as post-natal benefits.*

- *Monitoring of salary disparities: The company states that there is permanent monitoring of salaries in order to control and correct potential variations that might be present.*

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) throughout the company.

Results in terms of gender distribution

The percentage of women in management positions has increased by 1 percentage point between 2014 and 2016. It stood at 23 % in 2016.

Results in terms of employment of disabled persons

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	58	Implementation	100	Results	45
Visibility	100	Means & resources	100	Performance	65
Relevance	30	Coverage	100	Trends	38
Ownership	65				

Community involvement

Score: 66

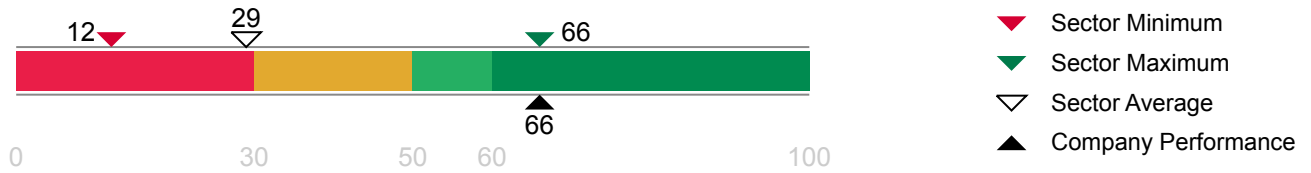
CIN1.1 Promotion of the social and economic development around landfills

(deactivated)

This Sustainability Driver is deactivated for the Company as it operates only in the water segment.

CIN2.1 Access to water and sanitation

(score: 66, weight: 3)



Visibility of commitment towards the promotion of access to water and sanitation in developing countries *The Company has issued a formalised and accessible commitment to address access to water and sanitation in developing countries in its sustainability report. Moreover, the Company reports to be currently defining other quantified targets on access to water.*

Visibility of the commitment on the prevention of water poverty of vulnerable populations *The Company has issued a formalised and accessible commitment to address water poverty of vulnerable populations in its sustainability report. Moreover, the Company reports to be currently working on defining quantified targets.*

Relevance of commitment towards the promotion of access to water and sanitation in developing countries The company's commitment to address access to water and/or sanitation in developing countries covers most of its responsibilities:

- Establish collaborative projects (with governments, UN agencies, NGOs, businesses)
- Foster transfer of technology/capacity building
- Support water/sanitation infrastructure projects
- Promote access of communities to local natural resources

Relevance of the commitment on the prevention of water poverty of vulnerable populations The company's commitment to address water poverty of vulnerable populations covers all of its responsibilities:

- Vulnerable customer assistance
- Financial support
- Water demand-side management

Ownership of commitment The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Rural Potable Water Program Manager, who is part of the Commercial Development business unit, is in charge of the objectives related to the support for rural communities and vulnerable customers.

Means allocated to promote access to water and sanitation in developing countries The company has allocated significant measures to access to water and sanitation in developing countries:

- Financial resources
- Dedicated human resources
- Innovative partnerships with stakeholders
- Dedicated foundation/body
- Transfer of knowledge and technology

Other (please specify):

- *Financial resources:* The Company states that various engineering designs for new works of improvement and coverage for more than 7,370 million pesos were developed in rural area.

- *Dedicated human resources:* a group of technicians outsourced by Aguas Andinas and in collaboration with the local actors' network is in charge of the implementation of the company's workshop and training programs for the communities.

- *Innovative partnerships with stakeholders:* Aguas Andinas states that it is an active contributor to the rural sector of the Metropolitan Region through the National Rural Potable Water Program promoted by the Ministry of Public Works in order to contribute to the development, social integration and quality of life of rural communities. The current Agreement where the Company acts as a technical unit that provides assistance and advice to 104 community organizations responsible for the operation and maintenance of water supply systems in operation.

- *Transfer of knowledge and technology:* Aguas Andinas shares its experience and knowledge in health and safety, administration and finance, support for overcoming emergencies, among others. Additionally, the Company procures and inspects studies, the designs waterworks construction and engineering in order to expand the potable water coverage in rural areas as mandated by Waterworks Directorate.

The company has allocated significant measures to address water poverty of vulnerable populations:

- Flexible tariff structures
- Increased awareness
- Reduced consumption (water demand-side management)
- Metering systems
- Innovative partnerships with stakeholders
- Other (please specify):

Means allocated to address water poverty of vulnerable populations

- *Flexible tariff structures:* The "Cuenta Amiga" program is aimed at generating a debt renegotiation process which offers favourable conditions and which provides information and support to those in need to obtain subsidies from the Municipality. In 2014, 3,200 accounts were condoned for a total of 1,154 million pesos.

- *Increased awareness:* Aguas Andinas has implemented the "Aguas Andinas en mi barrio" program, which performs work focused on neighbourhoods and areas with vulnerable customers in the Metropolitan Region. This, in order to promote and encourage responsible water consumption, care of sanitation facilities.

- *reduced consumption (water demand-side management):* the Company seeks to install technical skills through workshops and training courses in plumbing, so that residents have the tools to solve basic sanitation facility problems independently. In addition, different actions are performed for problem detection and improvement in sewerage and potable water systems in the homes of the targeted villages. During 2014, the focus of program activities was in the neighborhood of Melipilla, where the cadaster and identification of communities in Villa Los Lagos I, II and III was conducted in order to implement the program.

Coverage of means allocated to promote access to water and sanitation in developing countries

The company operates in developing countries and has implemented measures to promote access to water and sanitation in most of them.

Coverage of means allocated to address water poverty of vulnerable populations

The measures allocated to address water poverty apply to a majority of regions of operations.

Performance trend - Access to water and sanitation in developing countries

The Company's normalised indicators on water poverty have shown improvement continuously over the past five years. Aguas Andinas publishes indicator on its rural potable water programme. Actually, 10,546 families have benefited from this programme in the 3 regions where the Company participates.

Performance trend - Water poverty of vulnerable populations

The company does not disclose indicators on water poverty.

Stakeholders' feedback

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	76
Visibility	65
Relevance	82
Ownership	65

Implementation	65
Means & resources	65
Coverage	65

Results	58
Performance	76
Trends	0

Business behaviour (C&S)

Score: 55

C&S1.1 Water safety

(score: 58, weight: 2)



Visibility of commitment

The Company has issued a formalised commitment to water safety in its Code of conduct.

Relevance of commitment

The company's commitment addresses water safety.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Technical Business Unit through the Water Quality Deputy Management Area is responsible to ensure the quality of the water in the whole water cycle.

Product safety management systems

The company has set up a comprehensive system to ensure water safety that includes:

- quality management system (e.g. ISO 9001/ TQM 9002/9003/ Six Sigma)
- internal safety audits of production processes
- R&D to improve safety
- external safety audits of production processes
- sector-specific certification schemes
- person/unit in charge of gathering intelligence on product safety issues
- system to prevent voluntary pollutions/terrorist attack and/or to limit their potential consequences

- Quality management system: Aguas Andinas, Aguas Cordillera, and Aguas Manquehue are all certified with the ISO 9001 in its productive processes. Additionally, the Company requires that all external labs that execute services for the group are certified under ISO 17025;

- Internal safety audits of production processes: The Company's Transformation business unit conducts annual internal audits of production processes. Additionally, Aguas Andinas reports that, every semester, the Company audits the laboratories who provide the sampling and analysis services. Furthermore, monthly audits to the Company's 10 internal control laboratories are performed by the company;

- R&D to improve safety: The Company claims that it conducts several R&D projects to improve safety. Aguas Andinas has implemented an online Quality Control Pilot Program in Valle Grande. Aguas Andinas has also established an online mitigation and control program for Algae in superficial water sources which allow an improvement in the quality of water supplied to a part of the population. Moreover, The company reported that, in 2015, It has built a Nitrate Abatement plant in Pomaire which has become operational now;

- External safety audits of production processes: Aguas Andinas claims that external safety audits processes are completed according to the standards

required by the ISO 9001;

- Person/unit in charge of gathering intelligence on product safety issues: The Water Quality Deputy Management Area is responsible for managing the water quality information. This specific area is responsible of gathering and providing all of the information related to the event through the Operating Log which is managed by the Company's Operative Control Center in order to instantly manage solutions to the potential problems. This unit is composed of 23 professionals which are solely dedicated to water quality control;

- System to prevent voluntary pollutions/terrorist attack and/or to limit their potential consequences: Aguas Andinas claims that it has an emergency and crisis management plans in addition to the ISO 22.301 Business Continuity Certification which contemplate the following aspects: Sensibilization, GAR Integrated Recovery Plans for the Potable Water Plants, and Protocols for Large Water Cut Events.

Crisis management system

The company has a system to alert its customers.

Aguas Andinas reports that, as part of the Company's Incident and Emergency Management Plan, an early alert system is established which is aligned with the National Civil Protection System. This system allows the company to alert customers the status of the forecasted situation and the development that is occurring. The information is distributed through all of the available channels, including television, press in general, the company's website, and social media. Aguas Andinas has a Business Continuity business unit which is in charge of establishing and formalising the Company's Continuity Plans for operative processes. This unit coordinates the correct execution of the emergency plans and conducts an analysis of the management of the situation. By detecting weaknesses and strengths, this unit generates action plans which contribute to update and improve the existing plans.

Coverage

The company has set up such systems in the majority of its operations.

It seems that the ISO 9001 certification covers the majority of the company's sites. Furthermore, the Company reports that the Emergency plans and audits are adopted by all the company's sites.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	44
Visibility	65
Relevance	30
Ownership	65

Implementation	65
Means & resources	65
Coverage	65

Results	65
Performance	65

C&S1.3

Responsible Customer Relations (security of supply and customer complaint handling)

(score: 44, weight: 2)



Visibility of commitment

The company refers to responsible contractual agreements in its Code of Conduct and on its website.

Relevance of commitment

The company's commitments address the security of supply and deals in a general way.

- unplanned supply interruptions and/or a pipe repair policy
- planned interruptions of supply to secure water supply
- Information to customers before planned interruptions
- compensations for interruption of services

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

Aguas Andinas has a Corporate Client Service Business Unit which is responsible for the relationship with clients and the fulfilment of client service regulation. Furthermore, there is the position of the Customer Counsel which was created to enhance dialogue with clients and customer service.

Means allocated

The company has set up comprehensive measures:

- Information to customers about their rights and/or the company's duties towards them
- Sales evaluation based on client satisfaction indicators
- Client satisfaction surveys
- Tools in place to react to unplanned interruptions of supply and/or to organise planned interruptions
- Tools in place to avoid unplanned interruption of supply

- Information to customers about their rights and the company's duties towards them: Aguas Andinas communicates information related to client's rights and the Company's duties on its website. In addition, the company claims to organise periodic communication campaigns to inform consumers;

- Client satisfaction surveys: Aguas Andinas reports that it conducts various client satisfaction surveys, amongst these are the OPINA and Post-Service surveys. The results of the client satisfaction surveys are included in the Company's 2016 Sustainability Report;

- Tools in place to react to unplanned interruptions of supply and to organise planned interruptions: The Customer relationship management software put in place by Aguas Andinas allows the affected customers to be identified to provide them with timely and reliable information;

- Tools in place to avoid unplanned interruption of supply: Aguas Andinas constantly monitors and takes preventive measures through the Company's Business Continuity Business Unit in order to avoid unplanned interruptions of supply. These measures include: The use of wells, Storage tanks, and a duct that connects the main reservoir with a production plant. These measures give the Company 9 hours of autonomy after the unplanned interruption. Furthermore, the company states that it has been investing in projects to increase the number of hours of autonomy from 9 to 32 hours by 2019.

Complaints management system

There is a formalised and accessible system to handle complaints.

Aguas Andinas claims that it uses Siebel CRM which allows the entry, derivation, management and follow-up of all contacts with clients. Additionally, the Company uses the AquaCIS commercial system which allows its employees to have all the commercial information necessary to manage or respond online to customer inquiries and complaints. Various workers in the company can access customer complaint information and respond or inform customers about it. However, the latter do not currently have access to the information of their claims directly.

Coverage

The company has set up systems throughout the company.

The company reports that the allocated measures are in place in all of its operations.

Unplanned interruptions of water supply

The number of the clients with water cuts due to unplanned interruptions, normalised to by sales of potable water has increased from 0.3 in 2014 to 2.5 in 2016.

Customer satisfaction

The rate of customer satisfaction has increased by 6.2 percentage points between 2014 and 2016. It stood at 78.70 % in 2016.

 **Stakeholders' feedback**

A review of stakeholder sources revealed that the Company is involved in isolated or occasional controversies of high or critical severity

As of 09/2017, Aguas Andinas was involved in 1 controversy

- Case 1 (15/08/2017): RESPONSIVENESS UPDATE: Aguas Andinas fined by Super Sanitation Services over water cuts in Santiago

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is reactive

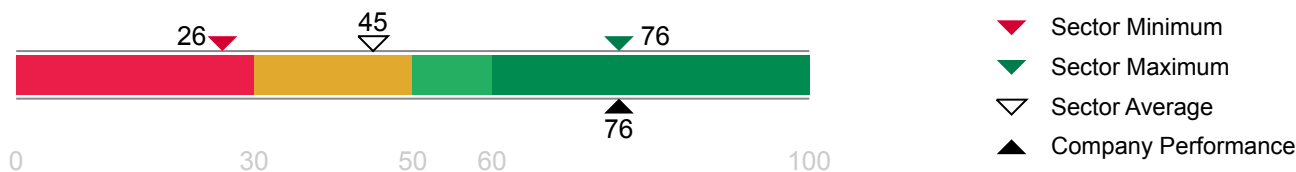
For each of the above mentioned cases, Aguas Andinas's response is considered:
- case 1: In its answer to Vigeo Eiris, Aguas Andinas provided details of the events related to the water cuts as well as on emergency measures implemented.

The analysis of Aguas Andinas management of each case is available in Vigeo's controversy profile.

Leadership	41	Implementation	72	Results	20
Visibility	30	Means & resources	53	Performance	24
Relevance	30	Coverage	100	Trends	0
Ownership	65				

C&S3.1 Prevention of corruption

(score: 76, weight: 3)



Visibility of commitment

The Company has issued a formalised commitment to preventing corruption in its Code of Ethics. Of note, Aguas Andinas reports that it aims to obtain ISO 37.001. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to preventing corruption addresses its main responsibilities, referring to recognised standards:

- giving / receiving bribes
- restriction of facilitation payments
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments

The Company makes references to the foreign Corrupt practices Act and the UK Bribery Act 2010 in its Anti-Corruption policy.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The chief compliance officer is responsible for the oversight of the Anti-Corruption policy.

Involvement of employees

The company has instituted formal training programmes for relevant employees and contractors on corruption prevention.

Aguas Andinas provides formalised training for employees on the topic of Corruption through its "Ethical Dilemma Workshops", which are part of its ethical management system framework. In 2016, 192 employees of the company participated in these workshops. In terms of suppliers, starting in 2017 the Chief Compliance Officer will attend all of the Company's supplier training events to train them on corruption prevention.

Means allocated

The company has set up internal and external controls to prevent corruption, including a confidential reporting system, that include:

- approval procedures for gifts, etc. by an independent department
- external audits (by an independent, external specialised organisation)

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- external investigations of allegations
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- risk assessment of company vulnerability
- due diligence on joint ventures
- due diligence in evaluating contracts/suppliers
- systems for appointment/remuneration of agents
- identify and black list known bribe payers

The company has set up internal and external controls to prevent corruption, including a confidential reporting system, that include:

- Approval procedures for gifts, etc. by an independent department: Gifts above a certain threshold need to be approved by the crime prevention officer, gifts of higher value required approval from the CEO.

- A dedicated confidential hotline or email address: The company has a dedicated complaints channel.

- Risk assessment of company vulnerability: Aguas Andinas has developed processes for the detection and weighting of exposure to a corruption risk. Besides, the Company reports that the Chief Compliance Officer produces a report on compliance with the Code of Ethics.

- Due diligence on joint ventures: Mergers, acquisitions or actions made through third parties may only be made after review processes.

- Due diligence on evaluation contracts/suppliers: the Company uses a platform as part of its procurement and supply chain management pre-qualification process to provide external information regarding suppliers' legal compliance, amongst others. Also, the company has subscribed to Gesintel in order to access public data bases and black lists in order to ensure that all suppliers are up to its internal standards.

- External audits: The company is externally audited by BhCompliance on its Crime Prevention Model.

- External investigations of allegations: Aguas Andinas stated that BhCompliance externally investigates any allegations that come up through the Company's complaints channel.

The company reports that starting in 2018, the Internal Audit department will also formally audit the Company in regards to Compliance.

Coverage

The measures implemented cover all significant parts of the company.

Aguas Andinas reports that all measures cover all operations.

Reporting

The company explicitly states that no corruption incidents were reported internally

The Company reports that there have not been any incidents related to corruption during the past three years.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	83	Implementation	67	Results	77
Visibility	65	Means & resources	82	Performance	77
Relevance	100	Coverage	30		
Ownership	65				

C&S3.2 Prevention of anti-competitive practices

(score: 41, weight: 2)



Visibility of commitment

The company has made references to prevent anti-competitive practices in its Code of Ethics.

Relevance of commitment

The company's commitment to preventing anti-competitive practices is very general.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Corporate Legal Manager, the Corporate Finance and Purchasing Manager and the Compliance Officer are responsible of supervising the prevention of anticompetitive practices.

Involvement of employees

The company has instituted awareness-raising programmes for relevant employees on the prevention of anti-competitive practices.

Aguas Andinas reports that employees are trained on the Code of Ethics and the Crime Prevention Model.

Means allocated

The company has set up internal and external controls to prevent anti-competitive practices, including a confidential reporting system and:

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)
- external investigations of allegations

- Approval procedures for contract prices etc. by an independent department: The company reports to have a department specialised in the approval and study of this aspect. It is supervised by the Corporate Finance and Purchasing Manager.

- A dedicated confidential hotline or email address: The company has a dedicated complaints channel.

- External Audits: The company is externally audited by BhCompliance on its Crime Prevention Model.

The company reports that starting in 2018, the Internal Audit department will also

formally audit the Company in regards to Compliance. Also, the company reports it has processes to detect and evaluate compliance risks, as well as controls that mitigate such risks. However, it is unclear whether this processes specifically cover anti-competitive practices.

Coverage

Aguas Andinas reports that Internal and external audits are conducted in all the company's sites.

Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

Stakeholders' feedback

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	37
Visibility	30
Relevance	30
Ownership	65

Implementation	44
Means & resources	50
Coverage	30

Results	43
Performance	43

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 38, weight: 1)



Visibility towards stakeholders

The company has issued a formalised and accessible commitment to ensuring transparency and integrity of lobbying practices.

The company has issued a formalised and accessible commitment to ensuring transparency and integrity of lobbying practices in its Interaction Procedure with Public Officials and Lobby.

Comprehensiveness of the commitment

The company's commitment only addresses part of its responsibilities towards ensuring transparency and integrity of lobbying practices:

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, a dedicated structure is responsible for this issue or local managers are held accountable. However, the company does not provide evidence that stakeholders are involved in the deployment of this commitment or that strategies in terms of lobbying activities are presented and discussed at the board level.

The general manager, compliance officer and mid-management and employees are responsible for this policy.

Involvement of employees

The company has instituted awareness-raising programmes for relevant employees on transparency and integrity of lobbying practices, however it is not clear if formal training is provided to them.

Aguas Andinas claims that, during the past two years, 246 employees were trained on the Code of Ethics and the Crime Prevention Model, by means of the courses "Training in Crime Prevention Model" and "Code of Ethics" which includes topics on transparency and integrity of lobbying practices.

Measures allocated

The company appears to allocate some measures to ensure transparency and integrity of lobbying practices:

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- external investigations of allegations
- disclosure of the positions in the period of preparation of a debate and during the debate

- Approval procedures for gifts, travel or other privilege by an independent department: Gifts above a certain threshold need to be approved by the crime prevention officer, gifts of higher value required approval from the CEO.
 - A dedicated confidential hotline or email address: the company has a dedicated complaints channel.

Coverage

The Company communicates that the approval procedures for gifts by an independent department and the dedicated complaints channel applies to all of its operations.

Reporting

The company does not disclose the budget directly or indirectly dedicated to lobbying practices.

Aguas Andinas signed a consulting contract that includes, in other aspects, lobbying advice. The contract has a validity of 1 year, for a monthly payment of approximately USD 7,000.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Leadership	48	Implementation	30	Results	35
Visibility	65	Means & resources	30	Performance	35
Relevance	30	Coverage	30		
Ownership	65				

Corporate governance

Score: 48

CGV1.1 Board of Directors

(score: 48, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

The company does not have a Nomination Committee. The Nomination of Directors is the responsibility of Shareholders as they select and nominate Board Members in the Shareholders Meeting. Top Management is selected by the Administration.

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

The Head of CSR department/functions reports directly to the CEO/Board.

The Company reports that Narciso Berberana is the one responsible for CSR issues.

Share of independent shareholder-elected Board members

[LISTED COMPANIES] The Board is between 21 and 33% independent, which is less than the recommended level.

Two members of the seven-members board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

- Board members with demonstrated professional experience in the Company's sector of activities: Guillermo Pickering and Laureano Cano have both worked in the water utility sector. Additionally, the rest of Board Members have works in professional areas where their knowledge compliments the sector's activities (taxation, law, board members in companies of other regulated sectors, etc).

- Board members with demonstrated expertise on CSR issues: Pedro Sierra Bosh previously worked as the advisor of the Development and Sustainability Vice-President of Codelco. Additionally, the rest of the Board Members have also been exposed to CSR issues, not only by being part of Aguas Andinas' Board of Directors but also by being part of other Board of Directors in Chile and through their industry experience.

Training and expertise provided to board members

Training is provided through regular updates, but it does not cover CSR issues.

According to Aguas Andinas' Corporate Governance Policies and Procedures Compendium, Board Members receive induction training when the Board is renewed and additionally, once a year, during the third quarter of the year, refresher training is also provided.

Regular election of Board members

[LISTED COMPANIES] Board members are elected at least every three years and these elections are not staggered.

Board members are eligible for re-election following 3-year terms.

Evaluation of Board's functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.

The board's performance is evaluated once every two years.

Review of CSR issues at Board meeting

All of the relevant CSR issues for the company are discussed at Board level.

- Protection of water resources: The Company reports that, in March 2016, the board met to analyze and approve the 2016 Sustainability report. The measures taken by the company in the regard of water resources were part of the presentation. In March and June, the board discussed the hydraulic Efficiency Plan during the meetings;

- Water demand-side management: In March 2016, the board met to analyze and approve the sustainability report, and Water demand-side management was part of presentation. Additionally, In June 2016, within the items discussed in the Board Meeting, the Board discussed the Company's Communication Campaigns which included its responsible water use campaigns;

- Atmospheric emissions: In March 2016, the Board met to analyze and approve the 2016 Sustainability Report and the Head of Sustainable Development presented to the Board. As part of this report, the Company's emissions where reviewed;

- Health & safety: In August of 2016, one of the items reviewed by the Board were the Company's Health and Safety indicators against industry benchmarks as the Company received the Rosalino Fuentes Silva Award, which is a Health and Safety award given by Chile's National Council;

- Corruption: In April 2016, the Board of Directors approved the Company's Anti-Corruption Policy and in the extraordinary session in November, the Chief Compliance Officer presented its bi-annual report on the Company's Crime Prevention Model, the Progress of the Anti-Corruption Policy and the Compliance Model;

- Career management: In February 2016, the Board of Directors reviewed the advancement of the Company's Transformation Projects. In March 2016, the Board met to analyze and approve the 2016 Sustainability Report and the Head of Sustainable Development presented to the Board which includes the Company's Talent Management programs;

- Access to water: In January 2016, the Board discussed the Company's operations plan and in February, the Board discussed the "Prosperity Channel," project through which clean water coming out of Aguas Andinas' wastewater treatment plants would be directed to the Casablanca valley, an area with water scarcity;

- Water Safety: In the session in April, the Board reviewed the Company's efforts during the water cut that affected its clients due to the level of turbidity in the river. Additionally, in the sessions in May and September, the Board reviewed the progress of the Pirque Tank which is being built in order to increase the hours of autonomy in the case of turbidity to 32 hours;

Regular meetings are held, and attendance rates are above 90%

Regularity of and attendance at Board meetings

During 2016, the Board had 12 ordinary sessions and 3 extraordinary sessions. The attendance rate to the Board Meetings during 2016 was 98%.

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	Independency
Guillermo Pickering	Chairman of the board of directors	X											considered non independent by the company	
Bruno Philippi Irarr													considered non independent by the company	
Herman Chadwick Piñe													considered non independent by the company	
Fernando Samaniego S						X	X						considered non independent by the company	
Rodrigo Manubens Mol	Chairman of the directors committee					X	X							X
Pedro Sierra Bosch						X	X							X
Ricardo Escobar Cald													considered non independent by the company	

CGV2.1 **Audit & Internal Controls**

(score: 56, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

All members are non-executive directors, and the majority, including the committee's chair, are independent.

Two members of the 3-member directors Committee are considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial and/or audit experience AND relevant operational experience. In addition, at least a member has CSR skills and experience. Pedro Sierra Bosch who is a member of the Directors Committee has prior experience in the CSR field after being an advisor of the Development and Sustainability in the mining industry.

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

The system covers the standard issues related to financial, operational, and legal risks.

- Protection of water resources
- Atmospheric emissions
- Health & safety
- Corruption
- Career management
- Water safety

The system covers the standard issues related to financial, operational, and legal risks.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- 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

Strong processes dedicated to management of CSR risks are in place:

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Balanced scorecard: The Company has put in place a management by objectives system (DEO). The system defines variable compensation, according to performance. The DEO is composed of three blocks target: the global targets, objectives of areas of influence, and the individual target.

Risk related training: Aguas Andinas reports that in 2016, training was provided to employees and board members on health and safety issues.

Monitoring of key risk indicators: The Company claims to use a risk map assessment process where key indicators are developed for each risk. They are evaluated via the Company's balance scorecard.

Reporting system to the board: The Company reports that the direction committee defines and approves the risk map.

Risk mapping/materiality assessment: Aguas Andinas communicates that it has adopted a Risk Map, as a management and control tool. This latter helps the company identify, assess, prioritize and manage Company risks.

Independence of the firm's external auditors

Non-audit fees represented 31.1 % of total fees paid to Ernst & Young in the last fiscal year.

Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues.

 **Stakeholders' feedback**

A review of stakeholders' sources revealed that the Company is involved in isolated or occasional controversies of minor or significant severity

As of 09/2017, Aguas Andinas was involved in 2 controversies

- Case 1 (21/09/2017): *RESPONSIVENESS UPDATE: Super Sanitation Services fines Aguas Andinas over misinformation*
- Case 2 (17/08/2017): *RESPONSIVENESS UPDATE: SISS files charges against Aguas Andinas over Santiago 2016 pipe break*

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is reactive

For each of the above mentioned cases, Aguas Andinas's response is considered:

- case 1: *The company is reactive: the Company reports in a detailed way on its position to the case*
- case 2: *The company is reactive: the Company reports in a detailed way on its position to the case*

The analysis of Aguas Andinas management of each case is available in Vigeo's controversy profile.

CGV3.1 Shareholders

(score: 50, weight: 2)



Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Safeguards on transactions with major shareholder(s)

Less than half of the board is independent. However, there are other safeguards in place to monitor transactions between the company and its major shareholder(s).

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

Major restrictions have been identified to add items to the agenda of the AGM and to convene an EGM.

The board must convene a regular or special meeting when so requested by shareholders representing at least 10% of the issued voting capital.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

Shareholders may vote in person or through Proxy Voting. Any voting which is conducted in a General Shareholders Meeting must be conducted through a system that ensure simultaneous voting or secret voting.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.

The following item is not put to a vote at the AGM:
- executive remuneration

Presentation of CSR strategy to shareholders and investors

The company has presented to shareholders and investors its CSR strategy and this covers some of CSR issues at stake.

- Protection of water resources
- Health & safety
- Career management

Stakeholders' feedback

As of 09/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

CGV4.1 Executive Remuneration

(score: 39, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

All members are non-executive directors, and the majority, including the committee's chair, are independent.

All members are non-executive directors, and the majority are independent. Two members of the 3-member directors Committee are considered independent.

Disclosure of senior executives' individual remuneration

Executive remuneration is disclosed, but on a collective rather than on an individual basis.

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

Bonuses are linked to predetermined and disclosed economic or operational performance indicators. However the actual quantified targets are not disclosed.

- Internal Financial Success Metrics such as Net Income, EBITDA, and Company Revenue
- External Perception Metrics including Customer Satisfaction.
- Environmental Metrics such as environmental risk indicators, energy efficiency targets and indicators
- Social figures such as the prevention of occupational hazards (corporate health and safety indicators) and the implementation of CSR programs

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

The company does not have any incentives plan for its executives linked to multi-year performance conditions.

The Company states that there are no stock options nor long term incentives for senior executives.

Link between variable remuneration and CSR performance of the company

CSR performance objectives are considered in the determination of variable remuneration of senior executives, but information on performance targets are not disclosed.

- Protection of water resources
- Water demand-side management
- Atmospheric emissions
- Health & safety
- Corruption
- Career management
- Access to water
- Water safety
- Social and economic development around landfills

CSR performance is part of the variable remuneration of senior executives through the DEO program.

Severance pay for senior executives

Severance pay represents 1 year's base salary or less, and the company seeks to mitigate the costs, in accordance with standards advocated by Vigeo.

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.

The company's had two presidents during 2016, hence it is not possible to compute the ratio of CEO-to-employee compensation in 2016.

Stakeholders' feedback

As of 08/2017, Aguas Andinas did not appear to be involved in any controversy related to this sustainability driver

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/01	+	++	+	++	+	++
2017/10	+	++	+	+	+	++
2015/10	+	+	+	+	+	++

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	47	43	69	22
Human resources	58	55	73	48
Human rights	60	29	95	55
Community involvement	66	76	65	58
Business behaviour (C&S)	55	54	59	52
Corporate governance	48	48	36	60

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	71
	2	67
	4	40
Environment 2	1	40
	2	40
	4	36
	5	42
	6	71
Environment 3	7	N/A
	1	43

Sub-domain	Criterion	Score
Human resources 1	1	61
	3	59
Human resources 2	4	47
	2	68

Sub-domain	Criterion	Score
Human rights 1	1	N/A
	1	52
Human rights 2	4	68

Sub-domain	Criterion	Score
Community involvement 1	1	N/A
	1	66

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	1	58
	3	44
Business behaviour (C&S) 3	1	76
	2	41
	3	38

Sub-domain	Criterion	Score
Corporate governance 1	1	48
Corporate governance 2	1	56
Corporate governance 3	1	50
Corporate governance 4	1	39

Contacts

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Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/01	ESG Update
2017/10	Full ESG profile