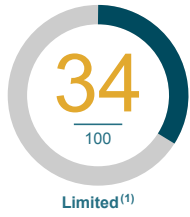


Company and Sector Performance

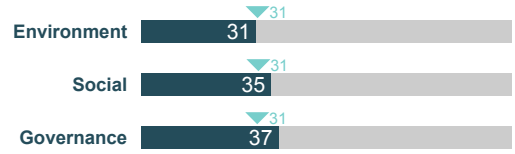
Company performance Sector average performance Sector performance

ESG OVERALL SCORE

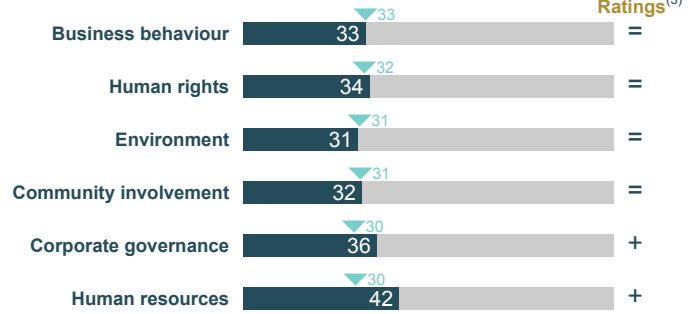


Information rate	63%
sector average	62%
Cooperation level ⁽²⁾	Not responsive
High severity controversies	No
Rank in Sector	17/60
Rank in Region	177/890
Rank in Universe	1354/4453

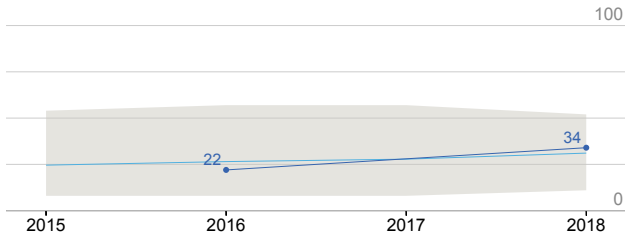
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



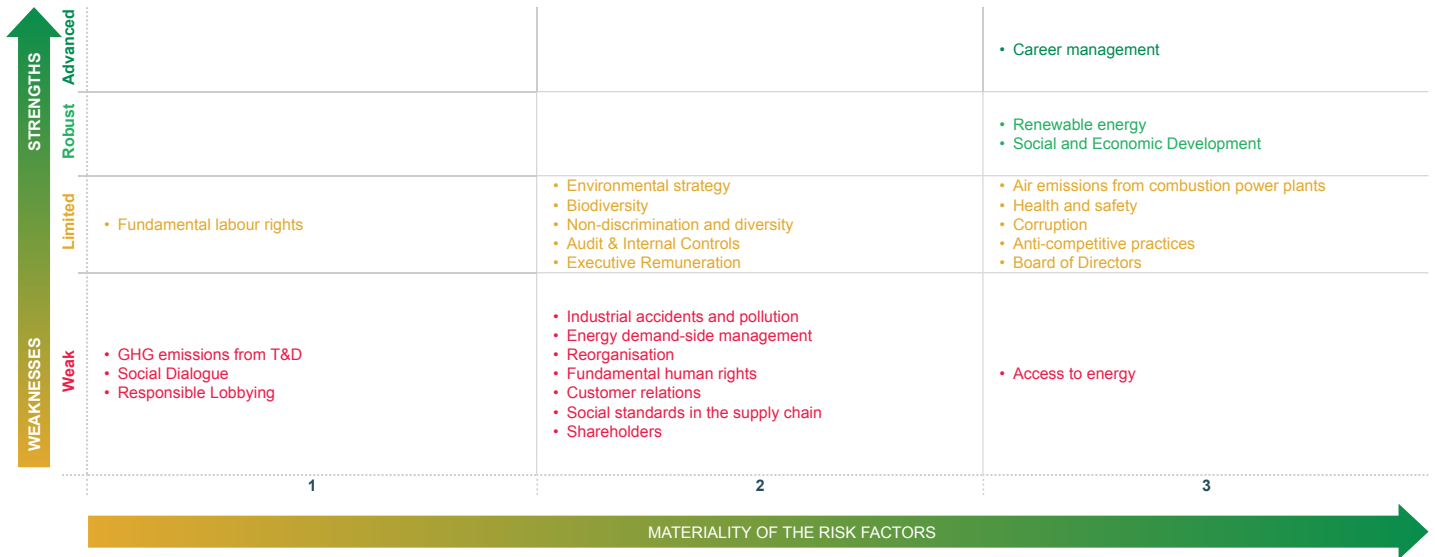
HISTORICAL PERFORMANCE



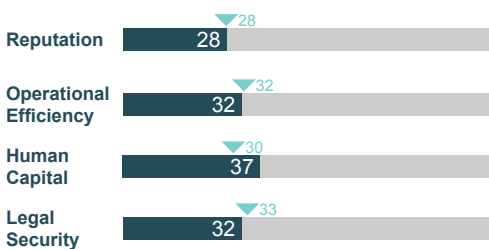
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Climate Change	Colbun, jointly with the Chilean government, committed to stopping the development of new coal projects without carbon capture and storage systems. Renewables represent 33% of the Company's total energy generation. Besides, its global carbon factor stood below the sector average in 2016.	↗
Customer relations	Although Colbun seems to address responsible customer relation in its Code of Ethics, the Company is silent on measures implemented in this regard, and does not disclose indicators on customer satisfaction or service continuity. Moreover, limited transparency is displayed in terms of preventing fuel poverty and energy demand-side management.	
Health & Safety	The Company's Safety, Occupational Management and Environmental Management Units ensure that the policy is applied across the Company, in all activities, including subcontractors. Moreover, an OHSAS 18001 health & safety certified system is in place. However, issues related to stress at work are not assessed and overall KPIs reporting is insufficient.	↗

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 34/100				Trend	Score	Leadership	Implementation	Results
			Environment				→	31	24	28	34
E	ENV1.3	3	Renewable energy				↗	53	30	65	65
E	ENV2.4	3	Air emissions from combustion power plants				↗	35	30	21	54
E	ENV1.1	2	Environmental strategy				↘	47	44	49	N/A
E	ENV1.2	2	Industrial accidents and pollution				→	12	0	0	37
E	ENV1.4	2	Biodiversity				↗	32	30	30	35
E	ENV3.1	2	Energy demand-side management				→	0	0	0	0
E	ENV2.2	1	GHG emissions from T&D				↗	15	30	0	16
			Human Resources				↗	42	43	27	55
S	HRS2.4	3	Career management				↗	61	62	48	72
S	HRS3.2	3	Health and safety				↗	41	55	33	36
S	HRS2.3	2	Reorganisation				↗	22	0	0	65
S	HRS1.1	1	Social Dialogue				↗	26	37	0	42
			Human Rights				↗	34	29	26	45
S	HRT1.1	2	Fundamental human rights				↗	23	18	0	65
S	HRT2.4	2	Non-discrimination and diversity				↗	39	37	65	16
S	HRT2.1	1	Fundamental labour rights				↗	34	37	0	65
			Community Involvement				↗	32	21	33	43
S	CIN1.1	3	Social and Economic Development				↗	52	41	65	50
S	CIN2.1	3	Access to energy				→	12	0	0	35
			Business Behaviour (C&S)				↗	33	38	22	40
G	C&S3.1	3	Corruption				↗	42	41	41	43
G	C&S3.2	3	Anti-competitive practices				↗	43	44	41	43
S	C&S1.3	2	Customer relations				↗	23	41	0	28
S	C&S2.4	2	Social standards in the supply chain				→	27	39	0	43
G	C&S3.3	1	Responsible Lobbying					12	0	0	35
			Corporate Governance				↗	36	43	34	30
G	CGV1.1	3	Board of Directors				↗	40	39	65	17
G	CGV2.1	2	Audit & Internal Controls				↗	41	70	15	39
G	CGV3.1	2	Shareholders				↗	22	0	40	26
G	CGV4.1	2	Executive Remuneration				↗	37	67	0	43

■ 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
BRENBACNOR2	EDP-Energias do Brasil	++	++	++	++	++	+	52
CL0002266774	Enel Chile	++	+	++	+	++	+	49
BRTBLEACNOR2	Engie Brasil Energia	++	+	++	+	++	=	49
BRCMIGACNOR6	Cia Energetica de Minas Gerais	++	++	+	++	+	=	47
CLP371861061	Enel Americas	+	++	++	+	++	+	47
CLP3710M1090	Enel Generacion Chile	++	++	+	+	+	=	45
MA0000011439	Lydec	+	++	+	+	+	=	44
BRELPLDBS0S2	AES Brasil	++	=	+	++	=	-	42
PEP700511004	Enel Generacion Peru	+	++	+	+	+	-	42
BRGNANACNOR8	Neoenergia	=	+	+	=	++	+	42
PEP701011004	Enel Distribucion Peru	+	+	+	+	+	=	39
TH0834010R10	Glow Energy	=	+	+	++	+	=	39
PHY2292T1026	Energy Development Corporation	++	=	=	+	=	=	38
COE15PA00026	Interconexion Electrica SA ESP	+	+	+	=	+	=	36
RU000A0JPKH7	RusHydro	+	+	=	=	=	+	36
CL0001880955	AES Gener	+	+	+	=	+	=	35
BRTIETCDAM15	AES Tiete	+	+	=	=	=	=	34
CLP3615W1037	Colbun	=	+	=	=	=	+	34
KR7015760002	Kepco	=	+	+	=	=	=	34
BRTRPLACNOR4	CTEEP	=	=	+	=	=	=	33
VIGEIRIS0387	Enel Brasil	=	=	+	+	+	-	33
PLENERG00022	Energia	+	+	=	=	=	=	33
KR7036460004	Korea Gas	=	+	+	+	=	-	33
INE245A01021	Tata Power	=	=	+	=	+	+	33
RU000A0JPNM1	INTER RAO EES	=	=	=	+	=	++	32
BRCPLEACNOR8	Companhia Paranaense de Energia-COPEL	=	=	=	=	=	+	31
INE129A01019	Gail India	=	+	+	=	=	=	31
CL0001583070	Engie Energia Chile	=	+	+	=	=	-	30
BRELETACNOR6	Eletrobras	=	=	+	=	+	=	30
ID1000111602	Perusahaan Gas Negara	=	=	=	=	=	=	30
MYL5347OO009	Tenaga Nasional	=	=	-	+	=	++	30
PHY0001Z1040	Aboitiz Equity Ventures	=	=	-	=	=	+	29

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
HK0836012952	China Resources Power Holdings	=	=	=	=	=	+	29
PLPGER000010	Polska Grupa Energetyczna	=	=	=	-	+	+	29
MA0000012205	Taqva Morocco	=	=	=	=	=	=	29
PLTAURN00011	Tauron Polska Energia	=	=	=	+	=	+	29
KYG8972T1067	Towngas China	=	=	-	=	+	=	29
MYL4677OO000	YTL Corp	=	=	+	=	=	=	29
PHY0005M1090	Aboitiz Power	=	=	=	=	=	+	28
CNE100000HD4	China Longyuan Power Group	+	=	-	=	-	+	28
CNE100000WS1	Huaneng Renewables	+	=	-	=	=	=	28
BRTAECDAM10	Transmissora Alianca de Energia Eletrica	=	=	+	=	=	-	28
MYL6742OO000	YTL Power International	=	=	+	=	=	=	28
HK2380027329	China Power International Development	=	=	-	=	=	+	27
INE733E01010	NTPC	=	=	=	=	=	=	27
BRALUPCDAM15	Alupar Investimento	=	-	=	=	=	-	26
CNE100001T80	CGN Power	=	=	-	=	-	=	25
BMG2109G1033	CHINA GAS HOLDINGS	-	=	=	=	=	=	25
PEP702521001	Luz Del Sur	=	-	=	=	=	-	25
CND000000BC2	State Grid Corporation of China	=	=	=	=	=	--	24
CNE1000006Z4	Huaneng Power International	-	=	-	=	-	=	23
XS1117296894	China Three Gorges	=	-	--	=	=	-	22
KYG3066L1014	ENN Energy Holdings	-	=	-	=	=	=	22
HK0392044647	Beijing Enterprises Holdings	-	=	-	=	=	=	21
BMG2113B1081	China Resources Gas Group	-	=	-	=	=	=	21
XS0953958641	Slovensky Plynarensky Priemysel	-	=	-	=	=	-	19
QA0006929812	Qatar Electricity & Water	-	-	-	=	-	=	16
BREQTLACNOR0	Equatorial Energia	-	-	-	-	-	-	14
XS0989152573	Bulgarian Energy Holding	-	-	-	-	-	-	11
BRSTGDDBS000	StateGrid Brazil Holding	-	--	-	-	-	--	11

General information

Colbun is engaged in the production, transport, distribution and provision of electricity and natural gas to regulated and deregulated customers in Chile and Peru.

The Company also provides advisory engineering services.

Selected financial data

Key data	Revenues	EBIT	Employees
2016	USD 1,436.2m	USD 356.3m	1,102
2015	USD 1,314m	USD 387.2m	1,048
2014	USD 1,503m	USD 353m	961
2013	USD 1,696m	USD 152m	991
2012	USD 1,410m	USD 119m	962

Main shareholders	2016
MINERA VALPARAISO S.A.	35.2%
FORESTAL COMINCO S.A.	14%
ANTARCHILE S.A.	9.6%
BANCO DE CHILE POR CUENTA DE TERCEROS CA	4.6%
BANCO ITAU POR CUENTA DE INVERSIONISTAS	3.4%

Geographical Breakdown	Turnover 2016	Employees
Chile	84.9%	91.7%
Peru	15.1%	8.3%

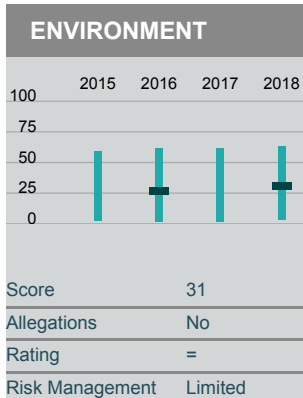
Main economic segment	Turnover 2016
Generation and sales of electric energy	100%

Selected ESG Indicators

	2017	2016
Non-executive Board member(s) responsible for CSR issues	No Info	No Info
Executive remuneration linked to CSR performance	No Info	No Info
Percentage of independent Board members	44.4	22
Percentage of women on Board	33	22
Percentage of women in Executive team	10	10
Percentage of women in workforce	N/A	18.6
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	43
3 year trend for safety at work	N/A	N/A
Involvement in armament	No	No
Management of social risks in supply chain	Weak	Weak
Carbon factor (3-year trend)	N/A	N/A

CSR performance per domain

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

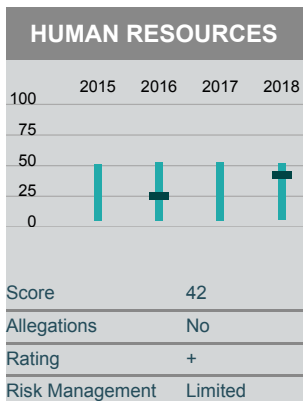


Key issues

The Electric & Gas Utilities sector has a major role to play with regard to climate change and energy efficiency through the promotion of renewable energy sources, energy efficiency and a reduction in greenhouse gas emissions of power plants. Companies are expected to set ambitious climate change strategies, backed by relevant targets and widespread environmental management systems.

Company performance

- The Company's performance in the Environment domain has slightly increased compared to the previous review, and is now limited in absolute terms
- The Company is ISO 14001 certified, although the coverage is unclear. Moreover, the Company's global and thermal carbon factors stand below the sector average. The Company's share of renewable energy stood at 42.7% of its total installed capacity in 2016. However, Colbun's commitment to protect biodiversity remains general, and extensive measures to limit the impacts of its operations on biodiversity are undisclosed.

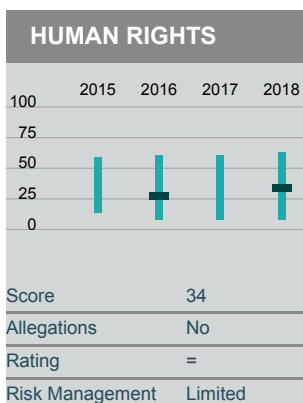


Key issues

Safeguarding the safety and health of employees and contractors remains a key risk factor in the sector. Similarly, anticipating the ageing workforce and retirement of highly skilled workers through the development of career management and promotion of employability represents a major sector challenge. Anticipating and managing reorganisations represent a key challenge, notably following phase-out and optimisation operations after the Fukushima incident. Implementing and maintaining sound systems to guarantee social dialogue is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations.

Company performance

- Colbun's performance in the Human Resources domain is limited in absolute terms, which is an improvement compared to the previous review.
- The Company reported that the majority of employees have an annual performance assessment. Moreover 85% of employees received training in 2016. Regarding health and safety, an OHSAS 18001 certified system is in place, but it does not address issues related to stress at work. The performance is lowered due to the insufficient reporting of indicators. Colbun reported that representative bodies have been set up only in a minority of company sites. At last, Colbun remains silent on how it manages reorganisations responsibly.



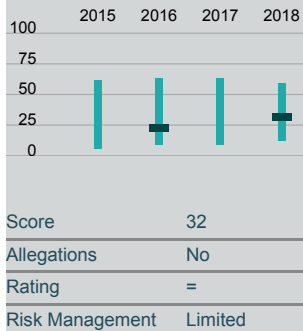
Key issues

Companies with operations in weak governance zones and which are involved in large-hydro projects, mining activities, or gas exploration, tend to be more exposed than others to violations of stakeholders' fundamental human rights. Electric & Gas Utilities are expected to also have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining. Finally, the industry remaining largely male dominated, discrimination need to be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents.

Company performance

- Colbun's performance in the Human Rights domain is limited in absolute terms, which is an improvement compared to the previous review.
- The Company is not transparent on concrete efforts to address fundamental labour and human rights. The Company's Code of Ethics entails a commitment towards the prevention of discrimination, and extensive measures are reported in this regard. However, the share of woman in management positions is not disclosed.

COMMUNITY INVOLVEMENT



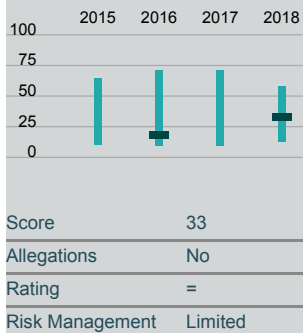
Key issues

Power generation companies' main responsibility in terms of Community Involvement is promoting access to energy in developing countries through collaborative projects with relevant stakeholders, capacity building. In their regions of operations, the companies are expected to address the disruptive impacts of their operations through their evaluation and monitoring, and promote the local social and economic development through social programmes and the reinforcement of the local content of operations. Finally, it is fundamental that companies implement relevant measures to avoid disconnections for poor households through initiatives that include raising awareness on energy consumption and energy efficiency among their customers.

Company performance

- Colbun's performance in the Community Involvement domain is limited in absolute terms, which is an improvement compared to the previous review.
- Colbun has issued a formalised commitment to promote local social and economic development, supported by significant means implemented in Chile and Peru including education programmes, initiatives to develop local employment, and infrastructure development programmes. Moreover, Colbun reports transparently on its taxes paid. However, the lack of reporting in terms of promoting access to energy in developing countries and preventing fuel poverty lowers the Company's performance.

BUSINESS BEHAVIOUR (C&S)



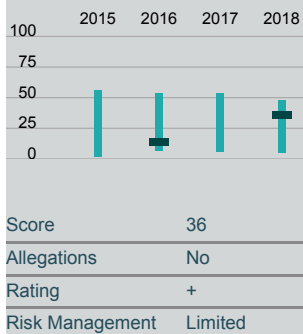
Key issues

Electric & Gas Utilities and Transmission companies operate in regulated markets where risks and opportunities are shaped by fiscal and regulatory frameworks and reforms. Thus, they are frequently involved in the political processes and government relations, highlighting the importance of prevention of corruption and of conflicts of interest. With the increasing competition, companies may be tempted to violate competition rules. Companies with end-use customers need to maintain transparent and responsible customer relations to improve customer satisfaction and their attractiveness in the market. Finally, as sector companies rely extensively on suppliers for coal, natural gas and uranium, social and human rights factors in the supply chain are of major importance.

Company performance

- Colbun's performance in the Business Behaviour domain is limited in absolute terms, which is an improvement compared to the previous review.
- The Company provided anti-corruption and free competition training programmes to relevant employees. Moreover, Colbun set up a confidential reporting system in this regard that covers all significant parts of the Company as well as business partners. However, no KPIs have been reported. The Company did not report on measures to ensure responsible customer relations, nor to integrate social factors in its supply chain management. Moreover, it is silent on responsible lobbying practices.

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 in absolute terms, which is an improvement compared to the previous review.
- At least 30% of directors are women, and one Board member have a demonstrated expertise on CSR issues. However, the Audit Committee has a limited role in overseeing internal and external controls, and CSR issues do not seem to be integrated in the internal control system. At last, limited transparency is displayed with regard to shareholders' rights and executive remuneration.

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CSR performance per criterion

Detailed Analysis

Environment	11
ENV1.1 Environmental strategy	11
ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)	13
ENV1.3 Development of renewable energy	14
ENV1.4 Protection of biodiversity	15
ENV2.2 Management of energy consumption and GHG from Transmission & Distribution activities	17
ENV2.4 Management of energy consumption and air emissions from fossil-based Generation activities	19
ENV3.1 Energy demand-side management	21
Human resources	23
HRS1.1 Promotion of labour relations	23
HRS2.3 Responsible management of reorganisations	25
HRS2.4 Career management and promotion of employability	26
HRS3.2 Improvement of health and safety conditions	28
Human rights	31
HRT1.1 Respect for human rights standards and prevention of violations	31
HRT2.1 Respect for freedom of association and the right to collective bargaining	33
HRT2.4 Non-discrimination	35
Community involvement	37
CIN1.1 Promotion of the local social and economic development	37
CIN2.1 Promotion of access to energy and prevention of fuel poverty	39
Business behaviour (C&S)	41
C&S1.3 Responsible Customer Relations	41
C&S2.4 Integration of social factors in the supply chain	43
C&S3.1 Prevention of corruption	45
C&S3.2 Prevention of anti-competitive practices	47
C&S3.3 Transparency and integrity of influence strategies and practices	49
Corporate governance	51

CGV1.1	Board of Directors	51
CGV2.1	Audit & Internal Controls	53
CGV3.1	Shareholders	55
CGV4.1	Executive Remuneration	56

 Involvement in allegations  Involvement in allegations with evidence of corrective measures

Environment

Score: 31

ENV1.1 Environmental strategy

(score: 47, weight: 2)



Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its Safety, Occupational, Health, Environmental and Quality Policy.

Relevance of environmental strategy

The company commits to some of its responsibilities in terms of environmental protection:
- Protection of biodiversity

Relevance of climate change strategy

The Company commits to the majority of its responsibilities in terms of climate change:
- Development of renewable energy
- Management of greenhouse gas emissions from Generation activities
- Management of energy consumption and GHG emissions from Transmission & Distribution activities

Ownership of commitment

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

Means allocated to environmental management

The company has allocated significant 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

The Company reports that its Safety, Occupational, Health, Environmental and Quality Policy is certified since 2010 under ISO 14001 standards.

Coverage of certified environmental management systems

Between 25% and 49% of the company's sites/offices have a certified environmental management system.

The exact share of the Company's ISO 14001 certified sites is unclear.

Carbon factor

The company's carbon factor stands below the sector average

Colbun's reported carbon factor is 333 (kgCO2/MWh) in 2016.

Leadership	44	Implementation	49
Visibility	65	Means & resources	65
Relevance	42	Coverage	30
Ownership	30		

ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)

(score: 12, weight: 2)



Relevance of commitments on pollution prevention and control

The company does not disclose any commitment to pollution prevention and control.

Means allocated to pollution prevention and control

Information obtained from the company and public sources regarding means allocated to pollution prevention and control is insufficient.

- risk assessment/ identification studies
- training (including contractors)
- pollution control audits
- implementation of risk prevention procedures (emergency plans, simulation exercises)

Coverage

Information obtained from the company and public sources regarding the percentage of sites covered by pollution prevention and control is insufficient.

Existence of accidental pollution

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

Rehabilitation of polluted soil

Information obtained from company and public sources regarding the rehabilitation of polluted soil is insufficient.

Leadership	0	Implementation	0	Results	37
Relevance	0	Means & resources	0	Trends	37
		Coverage	0		

ENV1.3 Development of renewable energy

(score: 53, weight: 3)



Relevance of the company's commitment in terms of renewable energy.

The company's commitment on developing renewable energy is general.

Electricity regulations require that part of the contracted energy comes from non-conventional renewable energy sources, setting a target of 20% to be supplied by 2025 by solar and electrical energy.

Installed capacity in renewable energy sources

The Company's installed capacity in renewable sources represented 1,668 MW in 2016 which corresponds to 42.7% of the Company's total installed capacity.

Scope of development of renewable energy sources

Resources allocated cover the main technologies:

- Hydro
- Wind
- Solar
- Biomass
- Geothermal
- R&D on emerging technologies (wave, tidal, etc)

- Hydro: the company's hydro installed capacity was 1,597 MW in 2016, which represents 40.9% of its total installed capacity.

- Wind: the company's wind installed capacity was 45 MW in 2016, which represents 1.5% of its total installed capacity.

- Biomass: the company's biomass installed capacity was 26 MW in 2016, which represents 0.67% of its total installed capacity.

Performance

Energy generation from renewable sources was 33% in 2016, which is above the sector average.

Leadership	30	Implementation	65	Results	65
Relevance	30	Means & resources	65	Performance	65
		Scope	65		

ENV1.4 Protection of biodiversity

(score: 32, weight: 2)



Relevance of the commitment

The company's commitment towards biodiversity protection is general.

- Loss and fragmentation of ecosystem and habitats on operation sites due to exploration and extraction work (digging, drilling..)
- Effects on population's dynamic (breeding, feeding and reproduction behaviour), due to noise, habitats degradation or fragmentation
- Effects on sensitive or migratory species (due to noise, habitat degradation)
- Soil erosion (due to draining, use of pesticide, cut of trees)
- Loss of vegetal species due to use of chemicals
- Effects on aquatic's flora dynamic
- Effect on sediments transfer
- Effect of habitat fragmentation and ecosystems

Managerial tools allocated to integrate biodiversity in the management of operations

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

- Environmental impact assessments
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

- *Monitoring of biodiversity indicators: the company keeps track of the total hectares planted in terms of native species, and exotic species.*

Local measures taken to protect biodiversity on operation sites

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

- bird protection programmes (feeding stations, nest boxes, bird diverters on flight paths, etc)
- vegetation management programmes (decreased use of pesticides/herbicides)
- biotope management plans
- fish protection programmes (fish ladders, fishstock monitoring, fish restocking campaigns, improvement of fish habitats, etc)
- diversion dams and/or flood management and/or minimal flow rates
- land remediation/restoration
- pollutant monitoring during mining activities
- digging mining sites underground
- water heating/withdrawal management/monitoring

- *fish protection programmes (fish ladders, fishstock monitoring, fish restocking campaigns, improvement of fish habitats, etc): the Company reports that it developed and implemented plans for the comprehensive environmental management of ichthyic fauna in different projects, including a comprehensive*

monitoring of the water quality and the aquatic biota, and other studies especially suited to each project. This allows the company to prioritize the basin zones that are more appropriate to be used and also to direct efforts toward the protection of these conservation areas.

- biotope management plans: The Company refer to its most recent projects, where seeds are collected from the areas where the felling will take place or from immediately neighboring areas to ensure the conservation of the genetic composition. The company planted species in state of conservation in the Valparaiso and Biobío Regions, with the support of research entities such as the Forestry Institute and the Botanic Garden of Viña del Mar.

Coverage of local measures allocated to protect biodiversity on operation sites

There is no evidence that the company has implemented these measures in a majority of relevant sites.

Results with regard to biodiversity protection

The company does not report indicators on biodiversity.

Stakeholders' feedback

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

Leadership	30
Relevance	30

Implementation	30
Means & resources	30
Coverage	30

Results	35
Performance	65
Trends	0

ENV2.2

Management of energy consumption and GHG from Transmission & Distribution activities

(score: 15, weight: 1)



Relevance of the company's commitment in terms of improving its network energy efficiency

The company's commitment to improve its network energy efficiency is general.

Relevance of the company's commitment on GHG emissions related to Transmission & Distribution activities

The company's commitment to reduce its Greenhouse Gas (GHG) emissions related to Transmission & Distribution activities is general.

Means allocated to improve energy efficiency and reduce GHG emissions from Transmission and Distribution activities

Information obtained from the company and public sources regarding means allocated to improving its network energy efficiency and/or related GHG emissions is insufficient.

- Monitoring of energy consumption and/or GHG emissions (direct and indirect)
- Assets replacement programme
- Energy efficiency programme
- Fugitive GHG emissions reduction programme
- Other

Coverage

Information obtained from the company and public sources regarding the share of network covered by such actions is insufficient.

Energy consumption of the gas T&D network

The company does not disclose quantitative data on energy consumption of the gas T&D network.

Greenhouse Gas emissions linked to electric T&D activities

The Company's total SF6 emissions (due to electricity T&D losses) normalized on the length of electric network increased between 2014 and 2016 by 103%, from 0.4493 (t CO2 / km) to 0.9138 (t CO2 / km).

Greenhouse Gas emissions linked to gas T&D activities

The company does not disclose quantitative data on GHG emissions related to the company's gas Transmission & Distribution activities.

Energy losses along the company's electricity network

The Company's net electricity losses decreased continuously between 2014 and 2016 by 1.2 percentage point, from 2.3% to 1.1%.

Leadership	30	Implementation	0	Results	16
Relevance	30	Means & resources	0	Performance	16
		Coverage	0		

ENV2.4

Management of energy consumption and air emissions from fossil-based Generation activities

(score: 35, weight: 3)



Relevance of the company's commitment on improving thermal power plants efficiency and reducing related air emissions

The company discloses a general commitment to improving thermal power plants' efficiency and reducing related air emissions.

Means allocated to improve thermal power plants' efficiency (e.g. CCGT, CHP)

To improve its power plants' efficiency, the company has a minor involvement in CCGT/CHP

The Company reports that by the end of 2015, it acquired 51% of Fenix Power Peru, owner of a 570 MW Combined cycle power plant. However, the exact share of the Company's plants that uses CCGT/CHP is not clear.

Means and technologies allocated to reduce SOx, NOx, PM and Mercury emissions

The company has a minor involvement in technologies developed to reduce air emissions (SOx, NOx, Particulates, Mercury):

- Sourcing of low sulphur fuels (eg: natural gas)
- Low NOx combustion technologies
- Flue gas cleaning systems (NOx and SO2)
- Mercury emissions capture technologies
- Particulate Matter capture technologies
- Other

- Low NOx combustion technologies: The Company reports that it has implemented a combustion optimiser for the boiler of the Santa Maria I, which allowed a decrease in the specific consumption of fuel and the emissions of NOx.

Share of the company's thermal plants covered by means and technologies to reduce SOx, NOx, PM and Mercury emissions

There is no evidence that the company has implemented combustion technologies in a majority of its thermal power plants.

Measures to develop innovative technologies such as carbon capture and storage and associated new combustion techniques

The company does not appear to be involved in the development of carbon capture and storage.

Carbon Factor of thermal facilities (fossil-based power generation, excluding nuclear)

The Company's thermal carbon factor has decreased by 17% between 2014 and 2016 to reach 500.4 kg CO2 / MWh in 2016 which is below the sector average.

Emissions of substances responsible for acid rain (SO2, NOx)

The emissions of SO2, normalised to production, have decreased continuously by 59% between 2014 and 2016 to stand at 0.150 (g/ kWh) in 2016.

The emissions of NOx, normalised to production, have decreased continuously by 44% between 2014 and 2016 to stand at 0.45 (g/ kWh) in 2016.

Other emissions: Particulates, Mercury emissions

The company does not disclose quantitative data on other emissions.

Stakeholders' feedback

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

Leadership	30
Relevance	30

Implementation	21
Means & resources	25
Scope	30
Coverage	0

Results	54
Performance	54

ENV3.1 Energy demand-side management

(score: 0, weight: 2)



Relevance of commitment related to Energy demand-side management

The company does not disclose any commitments related to Energy demand-side management.

Means dedicated to Energy demand-side management programmes

Information obtained from the company and public sources regarding means allocated to Energy demand-side management programmes is insufficient.

- awareness raising activities on energy efficiency (campaigns, leaflets, energy tips)
- promotion of energy-efficient appliances (boilers, heating systems, heat pumps, insulation, compact fluorescent light bulbs)
- consumption monitoring (diagnostics of energy installations, load curve advice, energy counselling/audit)
- tailor-made rates according to consumption patterns (day/night)
- energy service contracts (the energy supplier commits to reduce its customer's energy consumption)
- training of sales staff
- smart metering
- new tariffs and better billing
- promotion of renewable energy

Scope of means dedicated to Energy demand-side management

Information obtained from the company and public sources regarding means allocated to Energy demand-side management programmes is insufficient.

- Households
- Local authorities / municipalities
- Industrial clients
- Small businesses

Coverage of measures allocated to Energy demand-side management

Information obtained from the company and public sources regarding the percentage of customers covered by Energy demand-side management measures is insufficient.

Outcomes of Energy demand-side management measures

The company does not disclose data on energy saved by customers and/or on the number of Energy demand-side management measures.

Leadership	0	Implementation	0	Results	0
Relevance	0	Means & resources	0	Trends	0
		Scope	0		
		Coverage	0		

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Human resources

Score: 42

HRS1.1 Promotion of labour relations

(score: 26, weight: 1)



Visibility of commitment on the promotion of labour relations

The company has issued a formalised commitment to promote labour relations in its: *Human Resources Policy.*

Relevance of commitment on the promotion of labour relations

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

Ownership of commitment

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

Coverage of employee representative bodies

Employee representative bodies have been set up only in a minority of company sites.

The Company reports that there are 10 associations that negotiate collectively. From those 10, four are unions, which protect 324 workers (32% of the total personnel). The share of the Company's sites covered by employee representatives bodies remains unclear.

Subjects covered by collective bargaining

Information obtained from the company and public sources regarding the subjects covered in collective bargaining is insufficient.

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

Stakeholders' feedback

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

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover between 26 and 50% of its employees.

Colbun reports that collective bargaining agreements cover 436 workers, which represents 43% of the total personnel.

Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Scope	0
Coverage	0

Results	42
Performance	42

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HRS2.3 Responsible management of reorganisations

(score: 22, weight: 2)



Relevance of commitment to manage reorganisations responsibly The company does not disclose any commitment to manage reorganisations responsibly.

Relevance of commitment to involve employee representatives in the process The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

Means allocated to prevent and manage reorganisations

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

Coverage Information obtained from the company and public sources regarding the percentage of sites where such measures are taken is insufficient.

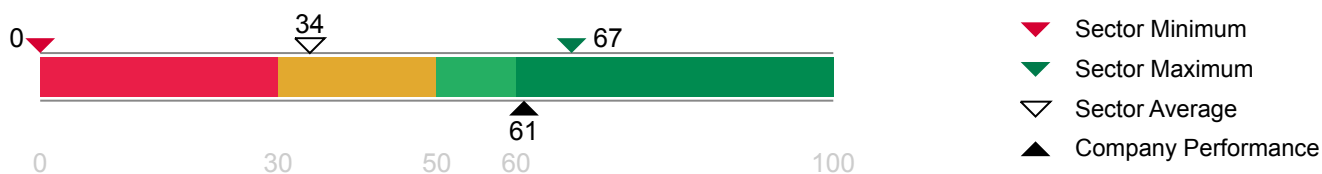
Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

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	0	Implementation	0	Results	65
Relevance	0	Means & resources	0	Performance	65
Ownership	0	Coverage	0		

HRS2.4 Career management and promotion of employability

(score: 61, 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:

Human Resources Policy.

Relevance of commitment

The company's commitment to promoting career management and training addresses its main responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

The Head of HR is part of the company's Board or Executive Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.

Paula Martinez, Chief Human Resources officer is also a member of the Executive Committee.

Career management systems

The company has set up an internal job opportunity marketplace and/or has formalised the skill requirements for the various job positions. Moreover employees have regular performance assessment interviews.

The Performance Evaluation Process is carried out for all staff under permanent contract each year.

Coverage of career management systems

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

Colbun reports that in 2016, 967 workers were evaluated (equivalent to 96% of the staff) in Chile, and 89 workers were evaluated in Peru.

Types of training provided to non-managers

The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

Colbun reports that training programmes are aimed at strengthening the knowledge and skills of workers, for their improved individual performance and contributing to achieve organisational objectives.

Means allocated to training for all employees

The number of training hours, normalised to number of employees, has increased, but not continuously by 2% between 2014 and 2016, to stand at 60.93 hours per employee in 2016.

Mobility / turnover

The Company's internal mobility rate has increased, but not continuously, by 3 percentage points between 2014 and 2016, to stand at 55% in 2016.

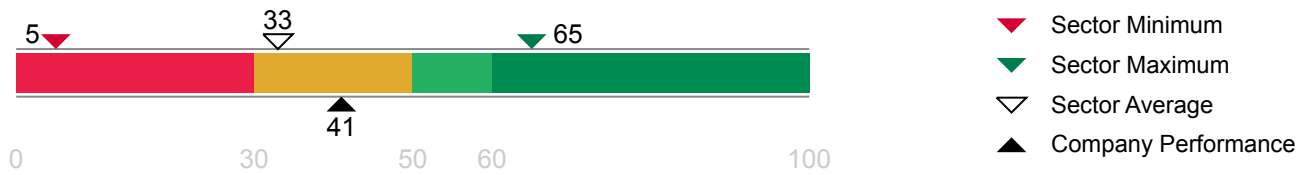
Training delivered during the year under review

All the company's employees received training during the year under review.
85% of employees received training in 2016.

Leadership	62	Implementation	48	Results	72
Visibility	100	Means & resources	48	Performance	72
Relevance	65	Scope	30		
Ownership	30	Coverage	65		

HRS3.2 Improvement of health and safety conditions

(score: 41, weight: 3)

**Visibility of health & safety commitments**

The company has made a formalised commitment to health and safety issues, which covers both its own employees and sub-contracted workforce, in its:

Safety, Occupational health, Environmental and Quality Policy.

Relevance of commitment on the improvement of health and safety conditions

The company's commitment only addresses part of its responsibilities:

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

- *reduce the number of work accidents and their severity.*

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

Safety and Occupational Management and Environmental Management Units ensure the policy is applied across the Company, in all activities, including those undertaken by subcontractors.

Means allocated to health and safety

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

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

- *OHSAS 18001 certifications: all company power plants are said to have developed and implemented an Integrated Environmental, Safety and Occupational Health Management System certified under OHSAS 18001 since 2010. The OHSAS certification includes:*

- *training/awareness raising programmes*
- *internal monitoring*
- *risk assessments*
- *internal H&S audits*

Coverage of health and safety system

The health and safety measures cover the majority of the company's employees.

The company reports that its health awareness raising programmes involved all its employees. In addition, all company power plants are said to have developed and implemented an Integrated Environmental, Safety and Occupational Health Management System certified under OHSAS 18001 since 2010.

Means allocated to reduce stress at work

Information obtained from the company and public sources regarding means allocated to reduce stress is insufficient.

- 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

Coverage of means allocated to reduce stress at work

Information obtained from the company and public sources regarding the percentage of employees that benefit from means allocated to address stress at work is insufficient.

Accident frequency rate

The Company's accident rate in Chile decreased by 0.2 percentage points between 2014 and 2016 to stand at 0.3% in 2016. No further information is provided regarding the way these indicators were defined by the company.

Accident severity rate

The Company's fatality rate remained at 0 between 2012 and 2016.

Occupational diseases

The company does not disclose quantitative data on absenteeism and/or occupational disease rates.

Accident frequency rate at contractors'

The Company's accident rate in Chile increased by 6.47 percentage points between 2014 and 2016 to stand at 6.87% in 2016. No further information is provided regarding the way these indicators were defined by the company.

Accident severity rate at contractors'

The Company's fatality rate remained at 0 between 2015 and 2016.

Absenteeism and/or Occupational diseases at contractors'

The company does not disclose quantitative data on its subcontracted labour absenteeism and/or occupational disease rates.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the

company during the period under review: stakeholders' feedback is neutral

Leadership	55
Visibility	65
Relevance	30
Ownership	65

Implementation	33
Means & resources	32
Coverage	32

Results	36
Performance	36

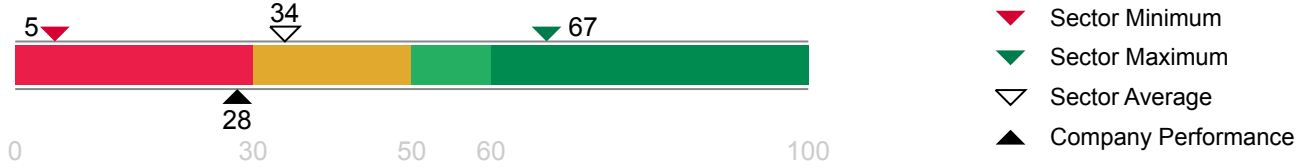
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Human rights

Score: 34

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

(score: 28, weight: 2)



Visibility of commitment on the respect for human rights standards and the prevention of violations

The Company has made references to respect and promote human rights in society in its Declaration of Human rights.

Relevance of commitment on the respect for human rights standards and the prevention of violations

The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:

- respect the right to privacy
- respect the right to personal security
- respect property rights
- prevent cruel, inhuman, or degrading treatment
- respect freedom of expression
- prevent complicity in human rights violations

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Means allocated to the commitment on the respect for human rights standards and the prevention of violations

Information obtained from the company and public sources regarding systems to ensure that basic human rights are respected is insufficient.

- awareness-raising programmes for employees
- external investigation of allegations
- resources dedicated to relocating population
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- consult local independent and representative stakeholders
- facilitate free, prior and informed consent (FPIC)
- human rights capacity building for local communities
- external audits/verification

Coverage

Information obtained from the company and public sources regarding the percentage of the company covered by systems to promote human rights is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the

company during the period under review: stakeholders' feedback is neutral.

Leadership	18
Visibility	30
Relevance	30
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

Results	65
Performance	65

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

(score: 34, weight: 1)



Visibility of commitment

The Company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Resources Management Policy

Relevance of commitment

The company's commitment generally addresses freedom of association and the right to collective bargaining.

- protection of freedom of association and the right to organise
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace

Ownership of commitment

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

The Human Resources and Organisation Management define, design, implement and spread the practices that are functional to the fulfillment of this policy.

Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- 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.

Promotion of collective bargaining

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

Coverage

Information obtained from the company and public sources the percentage of the company where such labour rights systems and programmes are in place is

insufficient.

Stakeholders' feedback

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

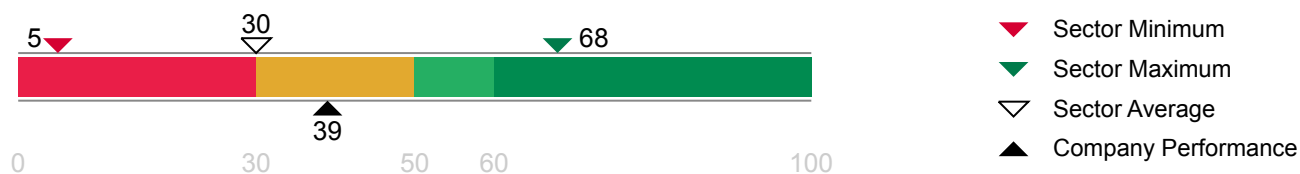
Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	65
Performance	65

HRT2.4 Non-discrimination

(score: 39, weight: 2)



Visibility of commitment on non-discrimination

The Company has issued a formalised commitment to non-discrimination in its Code of Ethics.

Relevance of commitment on non-discrimination

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
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

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

Means allocated to non-discrimination

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

- monitoring: Colbun monitors indicators by gender (age, position, salary).
- confidential reporting system / grievance procedures: Colbun reports that allegations can be raised via a letter addressed to the Internal Auditing Manager. The Company added that all allegations will be treated confidentially. Workers, supplier, customer or individual can raise an allegation through a dedicated e-mail address or via a phone number.
- flexitime initiatives: Colbun reports that employees can benefit from initiatives such as flexible hours, inter-holidays, half day Friday, and two administrative days are given.
- child care facilities/child care subsidies: Colbun offers child care initiatives in all the plants of Colbun, besides Santiago.
- monitoring of salary disparities: Colbun monitors the relation between the base salary of Women compared to Men.

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) in a minority of its operations.

Colbun has set up monitoring and reporting systems throughout the Company. However, the coverage of flexitime initiatives, and child care facilities remains unclear.

Results in terms of gender distribution

The company does not disclose quantitative data on performance indicators such as the share of women in management positions.

Of note, the share of women in the workforce has increased continuously by 1.3 percentage point between 2014 and 2016 to stand at 18.6% 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

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

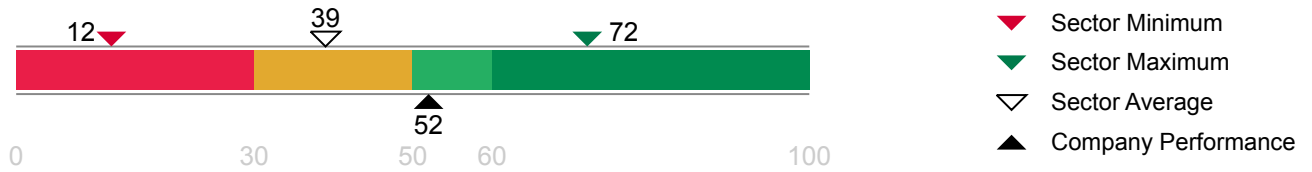
Leadership	37	Implementation	65	Results	16
Visibility	65	Means & resources	100	Performance	65
Relevance	30	Coverage	30	Trends	0
Ownership	30				

Community involvement

Score: 32

CIN1.1 Promotion of the local social and economic development

(score: 52, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

Community Relations Policy

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the transfer of technology and skills to developing countries
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

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

Means allocated

The company has allocated significant means to address social and economic development, including:

- Social development programmes
- Capacity building programmes
- Infrastructure development programmes
- Social impact assessments
- Grievance mechanisms

- *Social development programmes:* Colbun reports that its FORCOM programme offers training courses to secondary technical school's students, 1,200 students from 14 districts have benefited from FORCOM since its creation in 2008. Moreover 8,807 students benefited from Colbun's educational programmes in 2016.

- *Capacity building programmes:* Colbun reports that it has set up initiatives to maximise the hiring of local labor. Colbun operates two entrepreneurship centers. They focus on training, support to start or formalize a business, and business incubation. In 2016, the Entrepreneurship Center of Santa Bárbara and Quilaco provided training, advice and related services to 2,714 people, convoked 688 attendees to its seminars and talks, carried out 86 consultancies and financially supported 72 ventures.

- *Infrastructure development programmes:* Colbun initiated a project to improve Plaza de Los Alamos, which included exercise machines, children's games, led luminaires and new green areas. The Company made also improvements in the access to Baños del Médano, which considered a bus stop, arrangements on the

pedestrian walkway and the reconstruction of the stairway to the town. In Peru, Colbun initiated a programme based on a desalination and water purification plant for sea water, which required an investment of 4 million dollars and that has been positioned as a reference for the area. Moreover the company set up a polyclinic in Las Salinas that opened in January 2017.

Geographical coverage

These means are allocated in the majority of company sites.

These means are implemented in Chile and Peru.

Performance trend

The company only publishes indicators over the past two years, but normalised indicators on social and economic development have shown improvement over that time.

The Company's social investment normalised to EBIT increased from 1.3% of EBIT in 2015 to 1.8% of EBIT in 2016.

Transparency of tax reporting

The Company reports transparently on taxes paid . Reporting covers:

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

- Taxes paid in key countries of operations (Chile & Peru)

- sales per zone (Chile & Peru)

- number of employees per zone (Chile & Peru)

- explanation for significant differences between tax rate actually paid and expected tax rate: The company explains the divergence between the total income tax paid and the expected tax expense by the adjustments due to the income taxes of previous years, the tax losses utilised, and the deferred tax expenses.

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules Information on the company' s presence in IMF 'offshore financial centres' and/ or jurisdictions considered by the OECD as not compliant enough on tax transparency rules, is not sufficient.

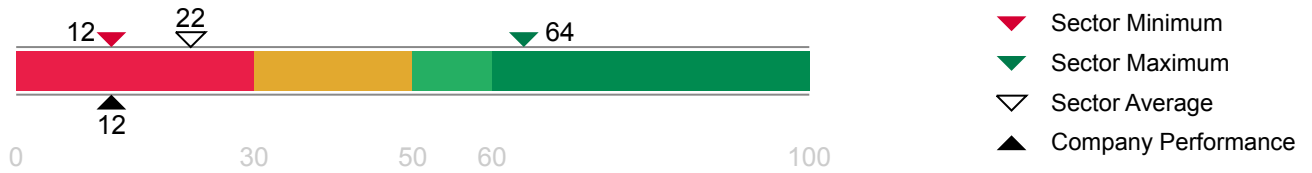
Stakeholders' feedback

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

Leadership	41	Implementation	65	Results	50
Visibility	65	Means & resources	65	Performance	57
Relevance	30	Coverage	65	Trends	30
Ownership	30				

CIN2.1 Promotion of access to energy and prevention of fuel poverty

(score: 12, weight: 3)



Visibility of the commitment on the promotion of access to energy

The company does not disclose any commitment to address the access to energy in developing countries

Relevance of the company's commitment on the promotion of access to energy

- The company does not disclose any commitment to address the access to electricity in developing countries
- Establish collaborative projects (with governments, UN agencies, NGOs, businesses)
 - Foster transfer of technology/capacity building (educational support, promotion of devices, building of dedicated infrastructure)
 - Support renewable energy projects (renewable energy, LPG...)

Visibility of the commitment on the prevention of fuel poverty

The company does not disclose any commitment with regard to addressing fuel poverty.

Relevance of the commitment on the prevention of fuel poverty

- The company does not disclose any commitment to address fuel poverty
- Vulnerable customer assistance
 - Financial support
 - Energy demand-side management

Ownership of commitment

The company does not disclose any commitment to access to energy and/or fuel poverty

Measures implemented to promote the access to energy

- Information obtained from the company and public sources regarding measures allocated to the access to energy in developing countries is insufficient.
- Rural electrification projects/Extending electricity grids – direct operational involvement
 - Provide access to electricity/gas through off-grid solutions (micro/mini grid) - direct operational involvement
 - Provide capacity building/technology transfer
 - Provide financial support to promote access to energy (renewable energy, LPG networks and cooking gas devices funding through micro-credits)
 - Innovative partnerships with stakeholders

Coverage of the measures implemented to address access to energy

Information obtained from the company and public sources regarding the percentage of the company covered by such efforts is insufficient.

Measures implemented to reduce fuel poverty

Information obtained from the company and public sources regarding measures allocated to address the fuel poverty issue is insufficient.

- Financial support
- Innovative (non-obligatory) tariff schemes
- Energy demand-side management (energy efficiency) for vulnerable customers
- Customer assistance (e.i. energy ombudsman)

Coverage of the measures implemented to address fuel poverty

Information obtained from the company and public sources regarding the percentage of the company covered by such efforts is insufficient.

Performance trend - Access to energy

The company does not disclose indicators on access to energy.

Performance trend - Fuel poverty

The company does not disclose indicators on fuel poverty.

Stakeholders' feedback

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

Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

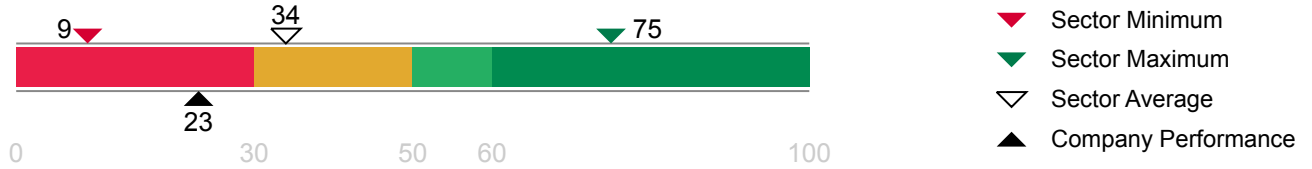
Results	35
Performance	46
Trends	0

Business behaviour (C&S)

Score: 33

C&S1.3 Responsible Customer Relations

(score: 23, weight: 2)



Visibility of commitment on responsible customer relations

The company has issued a formalised commitment on responsible contractual agreements (customer service, service continuity, etc.) in its:

Code of Ethics

Relevance of commitment on responsible customer relations

The company commits to some of its responsibilities in terms of responsible contractual agreements:

- fair treatment of customers
- procedure for handling complaints
- transparent price/billing policy
- timely/complete communication with customers
- flexible and easy termination
- service continuity

Ownership of commitment

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

Means allocated to ensure responsible customer relations and respect contractual agreements

Information obtained from the company and public sources regarding measures to ensure that customers are treated appropriately and that contracts are respected is insufficient.

- Training of sales staff
- Sales evaluation based on client satisfaction indicators
- Information on customer rights (and company duties towards customers)
- Compliance with a relevant industry code (e.g. Code of Practice for the Face to Face Marketing and Selling of Energy)
- Monitoring of service quality indicators (customer satisfaction, service continuity, complaints, etc.)
- Service interruptions prevention measures (and contingency plans)

Coverage of the means allocated to ensure responsible customer relations and respect contractual agreements

Information obtained from the company and public sources regarding the percentage of sites covered by such customer service procedures is insufficient.

Complaints management system

Information obtained from the company and public sources regarding complaints management system is insufficient.

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Customer satisfaction

The company does not disclose quantitative data on performance indicators regarding customer satisfaction.

Results on service continuity on electricity networks

The company does not disclose quantitative data on performance indicators regarding service continuity.

Stakeholders' feedback

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

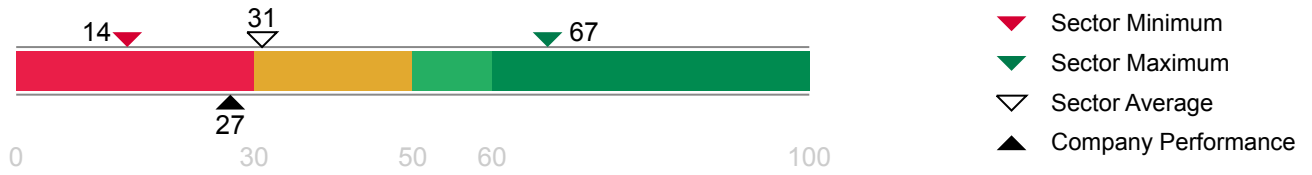
Leadership	41
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	28
Performance	28

C&S2.4 Integration of social factors in the supply chain

(score: 27, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its:

Code of Ethics.

Relevance of commitment

The company's social requirements for suppliers only address some of the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

- *Health and Safety*

Ownership of commitment

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

Means allocated

Information obtained from the company and public sources regarding measures to include social factors in supply chain management is insufficient.

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

Audits of suppliers/contractors

Information obtained from the company and public sources regarding social audits of suppliers/subcontractors is insufficient.

Coverage of the means allocated

Information obtained from the company and public sources regarding the percentage of the company's suppliers covered by such measures is insufficient.

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Coverage of the social audits

Information obtained from the company and public sources regarding the percentage of the company's suppliers covered by social audits is insufficient.

Transparency on social compliance in the supply chain

The company does not disclose quantitative data on the share of social non-compliance in the supply chain.

Stakeholders' feedback

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

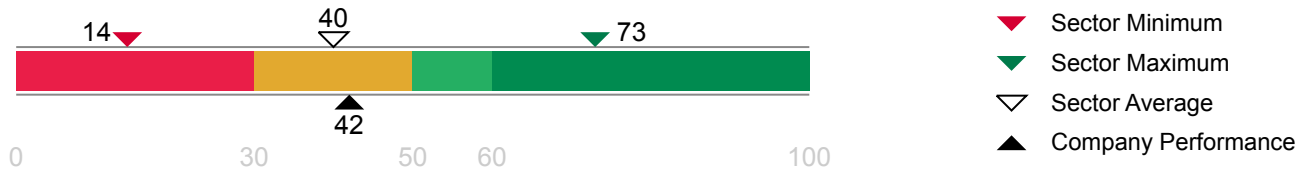
Leadership	39
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	43
Performance	43

C&S3.1 Prevention of corruption

(score: 42, weight: 3)



Visibility of commitment on the prevention of corruption

The Company has issued a formalised commitment to preventing corruption in its Code of Ethics.

Relevance of commitment on the prevention of corruption

The company's commitment to preventing corruption addresses only part of its responsibilities:

- 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

Ownership of commitment

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

Involvement of employees in the prevention of corruption

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

Colbun reports that during the year 2016, workers were informed through e-learning trainings on anti-corruption procedures about the Criminal Liability Act, including bribery.

Means allocated to the prevention of corruption

The company has set up reporting systems to prevent corruption that include:

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

- the possibility to contact internal audit, legal or compliance departments directly & confidentially: Colbun reports that allegations can be raised via a letter addressed

to the Internal Auditing Manager. The Company added that all allegations will be treated confidentially.

- a dedicated confidential hotline or email address: Colbun reports that any workers, supplier, customer or individual can raise an allegation through an email address or via a phone number.

Coverage of the means allocated to the prevention of corruption The measures implemented cover all significant parts of the company as well as business partners.

Transparency on corruption suspicions raised through the employee reporting system The company does not disclose any quantitative data on the number or nature of corruption incidents reported internally.

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

Leadership	41	Implementation	41	Results	43
Visibility	65	Means & resources	30	Performance	43
Relevance	30	Coverage	65		
Ownership	30				

C&S3.2 Prevention of anti-competitive practices

(score: 43, weight: 3)



Visibility of commitment on the prevention of anti-competitive practices

The company has issued a formalised commitment to prevent anti-competitive practices in its:

Code of Ethics.

Relevance of commitment on the prevention of anti-competitive practices

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

- Abuse of dominant position
- Price-fixing
- Transparency on the market
- Industrial espionage

Ownership of commitment

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

Involvement of employees in the prevention of anti-competitive practices

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

The Company reports that it has provided its main executives with training on free competition.

Means allocated to the prevention of anti-competitive practices

The company has set up reporting systems to prevent anti-competitive practices that include:

- 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)

- the possibility to contact internal audit, legal or compliance departments directly & confidentially: Colbun reports that allegations can be raised via a letter addressed to the Internal Auditing Manager. The Company added that all allegations will be treated confidentially.

- a dedicated confidential hotline or email address: Colbun reports that any workers, supplier, customer or individual can raise an allegation through an email address or via a call number.

Coverage of the means allocated to the prevention of anti-competitive practices *The measures implemented cover all significant parts of the company as well as business partners.*

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

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

Leadership	44
Visibility	65
Relevance	30
Ownership	30

Implementation	41
Means & resources	30
Coverage	65

Results	43
Performance	43

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

(score: 12, weight: 1)



Visibility of the commitment on transparency and integrity of influence strategies and practices

Information on the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

Relevance of the commitment on transparency and integrity of influence strategies and practices

The company does not disclose any commitment to 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 company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated towards transparency and integrity of influence strategies and practices

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

- 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
- disclosure of the positions in the period of preparation of a debate and during the debate

Coverage of the measures allocated towards transparency and integrity of influence strategies and practices

Information regarding the percentage of the company covered by such controls and

measures is insufficient.

Reporting

The company does not disclose direct and indirect expenses dedicated to lobbying practices.

Stakeholders' feedback

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

Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

Results	35
Performance	35

Corporate governance

Score: 36

CGV1.1 Board of Directors

(score: 40, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

Information disclosed on this subject is insufficient or not relevant.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, and the Chairman is considered independent.

Responsibility allocated over CSR issues

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

There is a Risk and Sustainability Committee that is composed by the Company's Chief Executive Officer and Main Executives. However it is not part of the Board. The CEO report directly to the Board.

Share of independent shareholder-elected Board members

The Board is between 34 and 50% independent, which is less than the recommended level. Four members of the nine-member Board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be robust:

- 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

- At least 30% of directors are women: three members of the nine-member Board are women.
- Board members with demonstrated professional experience in the company's sector of activities: The Chairman of the Board has managerial experience in Electric & Gas companies. Also, a former CEO of the Company is currently a member of its Board.
- Board members with demonstrated expertise on CSR issues: a Board member is also a member at The Council for Transparency. Previously, she served as Executive Secretary of the National Energy Commission and Executive Director of the National Environmental Commission.

Training and expertise provided to board members

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

In 2016, two training sessions for the board of directors were held by external specialists. the training addressed Reputation Risks Management and Corporate Governance Issues.

Regular election of Board members

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

Evaluation of Board's functioning and performance

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

The Company reports that the Board of Directors undertakes a formal procedure for the continuous improvement of its operation as a chartered body. This self-assessment procedure must be executed annually and is led by the Chairman of the Board.

Review of CSR issues at Board meeting

Only few of the relevant CSR issues appear to be discussed at Board level.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

In the board meeting, the General Manager informs about the monthly management of the Company in its main social activity, presenting the most relevant indicators of the business

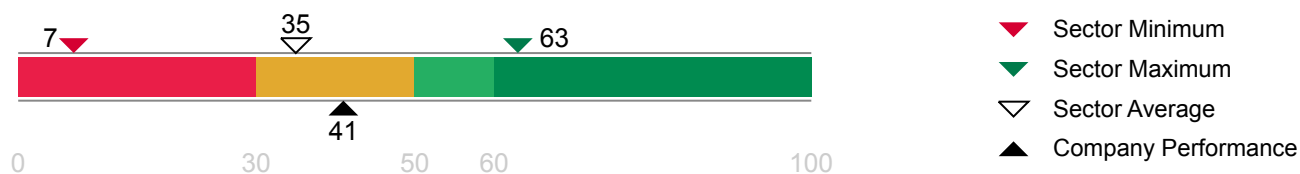
Regularity of and attendance at Board meetings

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

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid>1/2 executive salary	Represent>3% company's shares	Other	Independency
Juan Eduardo Garcia	Chairman of the Board		X			X	X							X
Vivianne Soza			X											X
María Pereira			X			X	X							X
Luz Granier Bulnes			X			X	X							X
Bernardo Matte								X	X			X		
Andrés Bromley			X										Considered non independent by the Comany	
Jorge Matte			X									X		
Francisco Matte			X									X		
Arturo Íñiguez			X										Considered non independent by the Comany	

CGV2.1 **Audit & Internal Controls**

(score: 41, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

All members are independent non-executive directors.

All the three members of the Audit Committee are considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial and/or audit experience AND relevant operational experience.

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.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited 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

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

- 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

Independence of the firm's external auditors

Information obtained from the company and public sources regarding the

independence of the firm's external auditors is insufficient.

Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited/moderate level of the assurance.

KPMG Auditores y Consultores Ltda. have made a limited review of the information and data related to the GRI indicators and other sustainability issues included in the "Integrated Annual Report 2016" of the Company.

Stakeholders' feedback

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

CGV3.1 Shareholders

(score: 22, weight: 2)



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

Nonexistence of anti-takeover devices The company does not publish any information on shareholders' rights.

Safeguards on transactions with major shareholder(s) No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

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

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

Ability to vote on relevant issues in separate resolutions at AGM All major items are voted upon in separate resolutions, in accordance with standards advocated by Vigeo.

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

Presentation of CSR strategy to shareholders and investors

- Climate change
- Pollution prevention
- Corruption
- Health & safety
- Community relations
- Anti-competitive practices

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

CGV4.1 Executive Remuneration

(score: 37, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee All members are independent non-executive directors.
All the three members of the 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 There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

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

- Health & Safety
- Climate Change
- Pollution Prevention
- Customer Satisfaction
- Other

Severance pay for senior executives Severance pay represents 1 year's base salary or less, in accordance with standards advocated by Vigeo, although the company does not seek to mitigate these costs.

According to Chilean Law, employees holding contracts of indefinite duration are entitled to a basic payment of one-month's salary for each year (or a six month portion thereof) worked, subject to a limit of a total payment of a maximum of 11 months' pay for employees hired after August 14, 1981.

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

The CEO compensation is not disclosed, and employees wages remained stable at USD 62 Millions between 2015 and 2016.

Stakeholders' feedback

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

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/03	=	+	=	=	=	+
2016/03	=	=	=	=	-	-
2014/12	+	+	=	-	=	-

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	31	24	28	34
Human resources	42	43	27	55
Human rights	34	29	26	45
Community involvement	32	21	33	43
Business behaviour (C&S)	33	38	22	40
Corporate governance	36	43	34	30

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	47
	2	12
	3	53
	4	32
Environment 2	2	15
	4	35
Environment 3	1	0

Sub-domain	Criterion	Score
Human resources 1	1	26
Human resources 2	3	22
	4	61
Human resources 3	2	41

Sub-domain	Criterion	Score
Human rights 1	1	28
Human rights 2	1	34
	4	39

Sub-domain	Criterion	Score
Community involvement 1	1	52
	1	12

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	3	23
Business behaviour (C&S) 2	4	27
Business behaviour (C&S) 3	1	42
	2	43
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	40
Corporate governance 2	1	41
Corporate governance 3	1	22
Corporate governance 4	1	37

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Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/03	Controversial Activities Screening
2018/03	Full ESG profile