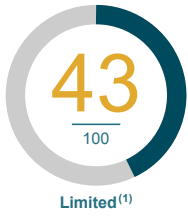


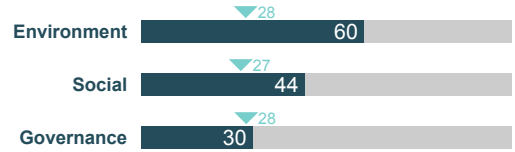
Company and Sector Performance

ESG OVERALL SCORE

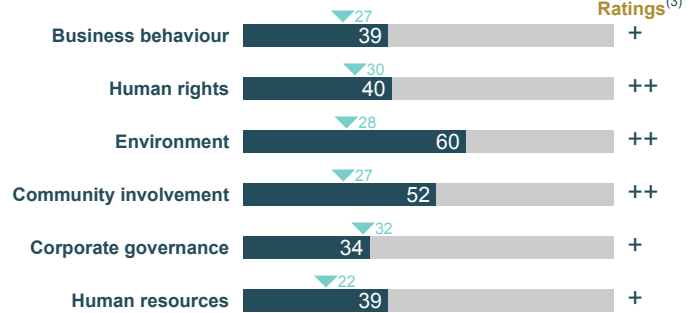


Information rate	82%
sector average	56%
Cooperation level <sup>(2)</sup>	Partially Responsive
High severity controversies	Yes
Rank in Sector	1/15
Rank in Region	52/890
Rank in Universe	570/4453

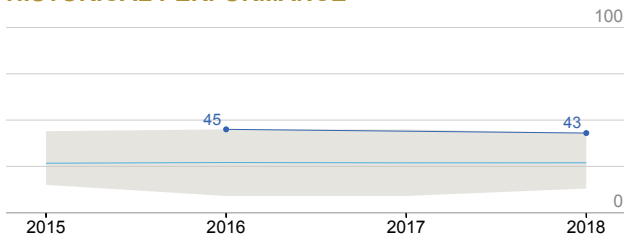
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



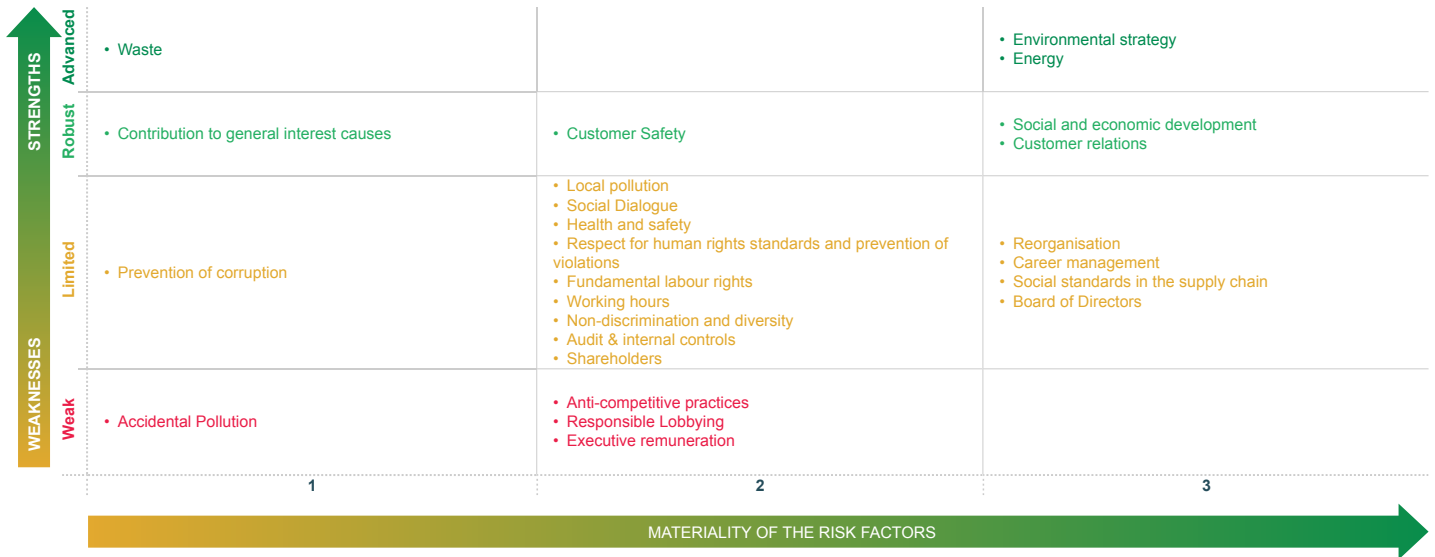
HISTORICAL PERFORMANCE



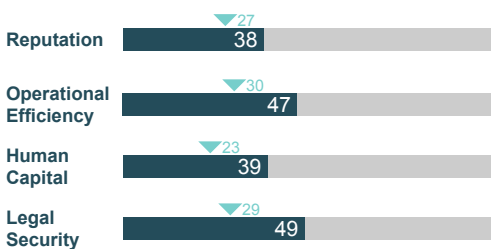
Company inclusion in Vigeo Eiris indices<sup>(4)</sup>: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Customer Safety	The Company's performance in customer safety is now almost advanced and takes a preventive approach, allocating measures such as screening systems, security controls for cargo and luggage, specific security checks for runway operations, monitoring, security systems on aircraft and security training for the staff.	↗
Certified EMS	The Company's environmental strategy remains advanced and takes a preventive approach, while also having several quantitative performance targets and significant measures in the framework of the ISO 14001 certification. However, coverage of the certified EMS represents only 27% of the Company's operations.	→
Business Ethics	Latam Airlines' approach towards business ethics remains weak, although a confidential reporting system and risk assessment procedure are in place while managing corruption and anti-competitive practices. Moreover, a strategy for addressing lobby practices is not disclosed.	→
Human Deportation	The Company does not appear to report on human deportation in its publicly available documents.	→

## 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](mailto: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: "-", "=", "+", "++", "+++" (Note: original image has different symbols)

(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

			Overall score 43/100		Trend	Score	Leadership	Implementation	Results
Weight									
<b>Environment</b>			→	60	76	67	16		
E	ENV1.1	3	Environmental strategy	→	69	90	48	N/A	
E	ENV2.2	3	Energy	↗	73	100	100	18	
E	ENV2.6	2	Local pollution	→	41	30	58	35	
E	ENV1.2	1	Accidental Pollution	↗	27	30	30	22	
E	ENV2.5	1	Waste	↗	65	100	79	15	
<b>Human Resources</b>			↘	39	59	23	33		
S	HRS2.3	3	Reorganisation	↘	33	65	0	35	
S	HRS2.4	3	Career management	↘	41	65	40	18	
S	HRS1.1	2	Social Dialogue	↗	48	48	8	88	
S	HRS3.2	2	Health and safety	→	39	65	40	11	
S	HRS3.3	2	Working hours	↗	33	48	30	22	
<b>Human Rights</b>			→	40	39	33	49		
S	HRT1.1	2	Respect for human rights standards and prevention of violations	↘	43	30	33	65	
S	HRT2.1	2	Fundamental labour rights	→	34	37	0	65	
S	HRT2.4	2	Non-discrimination and diversity	→	44	51	65	16	
<b>Community Involvement</b>			→	52	58	52	48		
S	CIN1.1	3	Social and economic development	→	52	58	56	42	
S	CIN2.2	1	Contribution to general interest causes	↗	53	56	39	65	
<b>Business Behaviour (C&amp;S)</b>			→	39	50	31	37		
S	C&S1.3	3	Customer relations	↗	54	55	31	76	
S	C&S2.4	3	Social standards in the supply chain	→	40	56	30	35	
S	C&S1.1	2	Customer Safety	↗	59	79	63	35	
G	C&S3.2	2	Anti-competitive practices	↘	27	51	30	0	
G	C&S3.3	2	Responsible Lobbying		12	0	0	35	
G	C&S3.1	1	Prevention of corruption		33	58	30	12	
<b>Corporate Governance</b>			→	34	34	42	27		
G	CGV1.1	3	Board of Directors	→	40	20	79	21	
G	CGV2.1	2	Audit & internal controls	→	43	46	33	51	
G	CGV3.1	2	Shareholders	→	41	67	39	16	
G	CGV4.1	2	Executive remuneration	→	11	10	0	22	

■ 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
TW0002610003	China Airlines	+	+	++	++	+	++	43
<b>CL0000000423</b>	<b>Latam Airlines</b>	<b>++</b>	<b>+</b>	<b>++</b>	<b>++</b>	<b>+</b>	<b>+</b>	<b>43</b>
TRATHYAO91M5	Turk Hava Yollari	++	=	+	+	+	+	37
TH0221B10Z05	BTS Group Holdings	=	+	=	+	=	++	33
CNE1000001S0	Air China	=	=	=	-	=	++	30
CNE1000002T6	China Southern Airlines	=	=	=	=	+	+	28
BRRENTACNOR4	Localiza Rent A Car	-	=	+	+	=	=	28
KR7003490000	Korean Air Lines	=	=	++	+	=	-	27
TW0002618006	EVA Airways	=	=	-	-	=	=	25
MYL5099OO006	AirAsia	-	-	-	-	-	++	21
BRMOVIACNOR0	Movida	-	=	+	-	-	=	21
HK0308001558	China Travel International Investment HK	-	-	=	=	-	=	19
BRCVCBACNOR1	Cvc Brasil Operadora E Agenc	--	-	=	=	-	+	18
BRLCAMACNOR3	Locamerica	-	-	=	=	=	=	18
US22943F1003	Ctrip.com	--	-	-	=	-	-	13

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## General information

LATAM Airlines Group SA engages in the provision of passenger air transportation and cargo services. The

Company was founded in 1929 and is headquartered in Las Condes, Chile.

## Selected financial data

Key data	Revenues	EBIT	Employees
2017	USD 10,163m	USD 714m	43,095
2016	USD 9,527m	USD 567m	45,916
2015	USD 10,125m	USD 514m	50,413
2014	USD 12,471m	USD 513m	53,072
2013	USD 13,266m	USD 644m	52,802

Main shareholders	2018
Costa Verde Aeronáutica S.A	26.2%
Qatar Airways Investments (uk) Ltd.	10%
Inversiones Andes S.A.	4.2%
Axxion S.A.	3.1%

Geographical Breakdown	Turnover 2017	Employees
Brazil	N/A	51.5%
Chile	N/A	26.5%
Peru	N/A	8.3%
Argentina	N/A	5.8%

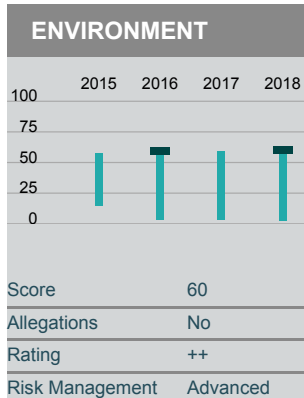
Main economic segment	Turnover 2017
Air transportation	80.3%
Coalition program and loyalty Multiplus	19.7%

## Selected ESG Indicators

	2017	2016
Percentage of independent Board members	55.5	N/A
Executive remuneration linked to CSR performance	No	N/A
3-year energy consumption trend (normalized to turnover)	↗	↗
Ratio of payments to employees vs. Shareholders	N/A	N/A
Management of social risks in supply chain	Limited	N/A
Percentage of women on Board	0	0
Percentage of women in Executive team	14	N/A
Percentage of women in workforce	38.5	38
Transparency on lobbying budget	No	N/A
Percentage of employees covered by collective agreements on working conditions	83.9	N/A
3 year trend for safety at work	↗	↗
Involvement in armament	No	N/A
Transparency on payment of tax	Insufficient	N/A

CSR performance per domain

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

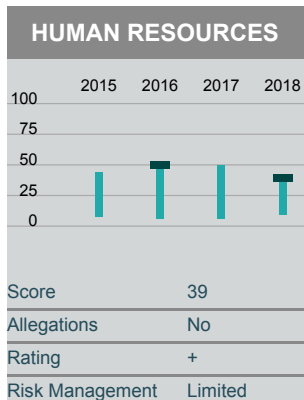


**Key issues**

Minimising environmental impacts from energy use is among the major environmental issues for airlines given that around 95% of carbon emissions from the industry come from the burning of jet fuel contributing directly to climate change. The Management of local pollution is another key issue for airlines urging them to tackle and control noise levels to minimize the impact on surrounding communities.

**Company performance**

- Latam Airlines' absolute performance in the Environment domain is now advanced, which is a slight improvement compared to the past review.
- The Company's environmental strategy remains advanced thanks to its formalised commitment, several targets and significant measures in the framework of ISO 14001. Latam Airlines' performance in energy efficiency remains advanced and has improved thanks to new ambitious targets and the implementation of measures such as monitoring, fleet optimisation, use of alternative energies and customer participation initiatives. Although GHG emissions indicators show a positive trend, energy consumption indicators have increase. As for the management of local pollution, performance remains limited, measures allocated include monitoring systems and engine and fuel technologies.

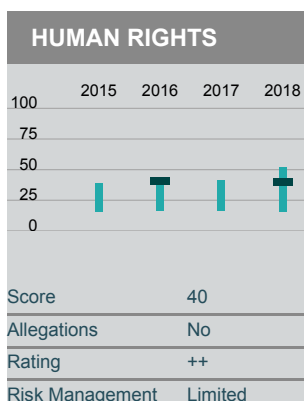


**Key issues**

As a reaction to the economic pressure and cost reduction schemes, the Travel & Tourism sector is driven by reorganisation changes. Mergers and acquisitions, as well as divestments from non-value added activities can have significant impacts on human resources. Therefore, Responsible management of these restructurings is a major challenge for the sector.

**Company performance**

- Latam Airlines' absolute performance in the Human Resources domain is now limited and it has decreased by 11 points compared to the previous review due to a decrease in the number of training hours and insufficient reporting regarding managing of reorganisations.
- The Company's promotion of labour relations is almost robust and the majority of the workforce is covered by collective agreements, dealing topics mainly related to remuneration. Although the Company refers to managing reorganisations in its reporting, measures and results are not reported. On other hand, performance of Latam Airlines' career management systems have decreased and are now limited due negative trends in related indicators.



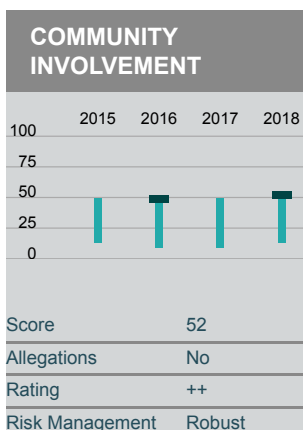
**Key issues**

Managing sensitive customer databases and being involved in transportation of different categories of passengers including vulnerable deported prisoners or illegal immigrants increases exposure to human rights violation risks. The respect for freedom of association and the right to collective bargaining is another key issue that is considered essential for a motivating working environment and company cohesion. As the Travel and Tourism job market is typically gender oriented Non-discrimination is considered relevant since promoting diversity within workforce would enhance creativity and meet diverse customers' demands.

**Company performance**

- Latam Airlines' absolute performance in the Human Rights domain remains limited, which is stable compared to the past review.
- The Company's maintains its commitment towards the respect of fundamental human rights, labour rights and non-discrimination. Measures allocated to protect the right to privacy include awareness raising and training on privacy rights for employees. As for the promotion of labour rights, measures allocated to address this issue are not reported to be in place. On the other hand, Latam Airlines' policy towards non-discrimination incorporates measures such as KPI's monitoring, training and confidential grievance procedures. However, indicators on the inclusion of women in the Company show a negative trend or are not disclosed for the period under review.

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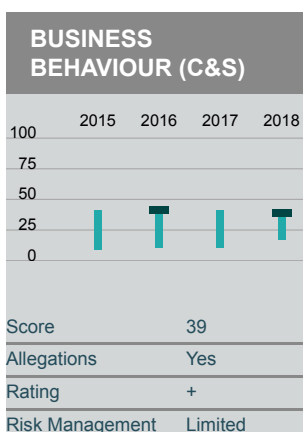


### Key issues

Airline companies can play an active role in local employment and economic development of communities hosting their operations. Therefore, the Promotion of social and economic development of local communities is considered a key issue for the airlines sub-sector.

### Company performance

- Latam Airlines' absolute performance in the Community Involvement domain is now robust, which is a very slight improvement compared to the past review.
- The Company's refers to the promotion of communities' social and economic development and has allocated measures to mitigate the impacts of its operations, such as dialogue processes and partnerships with local authorities for boosting capacity building. However, indicators on this regard are not reported and also taxes are not disclosed for each country where Latam Airlines operates.

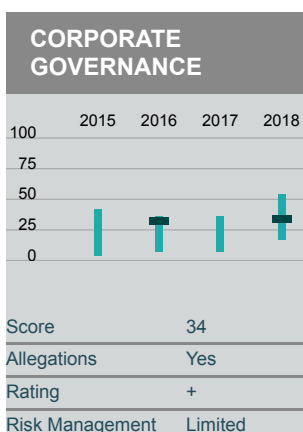


### Key issues

Customer safety is a key issue for Travel and Tourism sector, given the increasing exposure of customer to safety hazards and the stringent regulatory framework of the sector. Social factors in the supply chain is another key sector issue because of companies' strong capacity to promote suppliers' responsible social practices. This is given the high volumes of services subcontracted and that directly correlated to companies' business requiring an active management. Furthermore, companies in the sector are expected to ensure Responsible Customer Relations through efficient customer protection mechanisms.

### Company performance

- Latam Airlines' absolute performance in the Business Behaviour domain remains limited, which is stable compared to the past review.
- The Company's performance in customer safety is almost advanced and takes a preventive approach, allocating measures such as screening systems, security controls, monitoring and security training for the staff. Moreover, a crisis management system is in place. Performance on customer relations is robust and measures allocated include real-time information to customers and information on trip planning. Also, indicators on customer satisfaction have increased. As for social factors in the supply chain, Latam Airlines' performance is limited and has allocated risk assessments and non-compliance procedures.
- The Company is facing a controversy of high severity for corruption practices, on which it is responsive and has agreed to settle the case.



### Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's 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 (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

### Company performance



- Latam Airlines' absolute performance in the Corporate Governance is limited, which is stable comparing to the last review.
- The Company still does not appear to have a Nomination Committee, although five of the 9-member Board are independent. The Audit Committee maintains a comprehensive role and internal controls while also including operational safety in its risk management policy, but with no detailed disclosure of the policy itself. The external auditor receives non-audit fees, but these represent less than 5% of the total fees. As for shareholders rights, no safeguards or restrictions seem to be in place, but not all relevant issues are put to vote. Finally, the Company is silent on the rules guiding executive remuneration.
- The Company is facing a controversy of high severity for corruption practices, on which it is responsive and has agreed to settle the case.

## CSR performance per criterion


### Detailed Analysis

<b>Environment</b>		<b>10</b>
ENV1.1	Environmental strategy and eco-design	10
ENV1.2	Pollution prevention and control (soil, accident)	12
ENV1.3	Development of green products and services	13
ENV2.1	Protection of water resources	14
ENV2.2	Minimising environmental impacts from energy use	15
ENV2.5	Waste management	17
ENV2.6	Management of local pollution	18
<b>Human resources</b>		<b>19</b>
HRS1.1	Promotion of labour relations	19
HRS2.3	Responsible management of reorganisations	21
HRS2.4	Career management and promotion of employability	22
HRS3.2	Improvement of health and safety conditions	24
HRS3.3	Respect and management of working hours	26
<b>Human rights</b>		<b>28</b>
HRT1.1	Respect for human rights standards and prevention of violations	28
HRT2.1	Respect for freedom of association and the right to collective bargaining	30
HRT2.4	Non-discrimination	32
<b>Community involvement</b>		<b>34</b>
CIN1.1	Promotion of the social and economic development	34
CIN2.1	Societal impacts of the company's products / services	36
CIN2.2	Contribution to general interest causes	37
<b>Business behaviour (C&amp;S)</b>		<b>39</b>
C&S1.1	Customer Safety	39
C&S1.3	Responsible Customer Relations	41
C&S2.2	Sustainable Relationships with suppliers	43
C&S2.3	Integration of environmental factors in the supply chain	44
C&S2.4	Integration of social factors in the supply chain	45



 C&S3.1	Prevention of corruption	47
 C&S3.2	Prevention of anti-competitive practices	49
C&S3.3	Transparency and integrity of influence strategies and practices	51

## Corporate governance 53

CGV1.1	Board of Directors	53
 CGV2.1	Audit & Internal Controls	55
CGV3.1	Shareholders	57
CGV4.1	Executive Remuneration	58

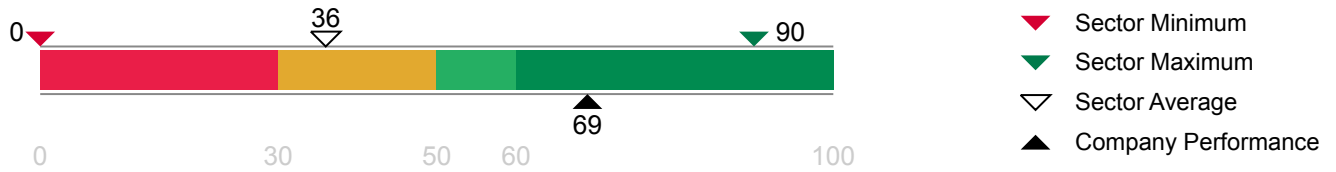
 Involvement in allegations     Involvement in allegations with evidence of corrective measures

**Environment**

**Score: 60**

**ENV1.1 Environmental strategy and eco-design**

(score: 69, weight: 3)



**Visibility of commitment to environmental issues**

The company has issued a formalised commitment to environmental protection, and sets specific targets for fuel consumption, carbon emissions, energy efficiency, waste reduction and coverage of EMS. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of environmental strategy**

The company commits to all its responsibilities in terms of environmental protection:

- Waste management
- Management of local pollution
- Minimising environmental impacts from energy use (fuel efficiency and fleet management)

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management. In addition, there is a dedicated structure responsible for this issue.

This structure is headed by the Vice President of Corporate Affairs and composed of senior management in specific committees and departments and supervised by the Board.

**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

- Environmental manual specifying procedures and responsibilities & Internal audits that assess the effectiveness of the EMS: The company adopted the ISO 14001 environmental management system which is based on conducting internal audits that assess the effectiveness of the EMS and Environmental manual specifying procedures and responsibilities.

- Environmental performance measured against targets: The company monitors and measures energy consumption, carbon emissions and waste management related indicators against annual targets.

**Coverage of certified environmental management systems**

The company states that by 2017, 27% of its operations are certified by ISO 14001

<b>Leadership</b>	<b>90</b>	<b>Implementation</b>	<b>48</b>
Visibility	100	Means & resources	65
Relevance	100	Coverage	30
Ownership	65		

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

(score: 27, weight: 1)



Relevance of commitments on pollution prevention and control

The company's commitments take into account accidental pollution prevention on its own sites.

Means allocated to pollution prevention and control

No information is available on resources allocated to pollution prevention and control, however the company has ISO14001 certified sites.

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

*Of note, the Company communicates on having a Emergency response programme, but it does mention if the program covers pollution related incidents.*

Coverage

The company has allocated resources to pollution prevention and control at a minority of sites.

*The company states that by 2017, 27% of its operations are certified by ISO 14001.*

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*

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

Rehabilitation of polluted soil

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

Leadership	30	Implementation	30	Results	22
Relevance	30	Means & resources	30	Performance	65
		Coverage	30	Trends	0

## ENV1.3 Development of green products and services

(deactivated)

This sustainability driver is not analysed for Airlines, including Latam Airlines, since their capacity to provide green products/services is restricted by the nature of their operations.

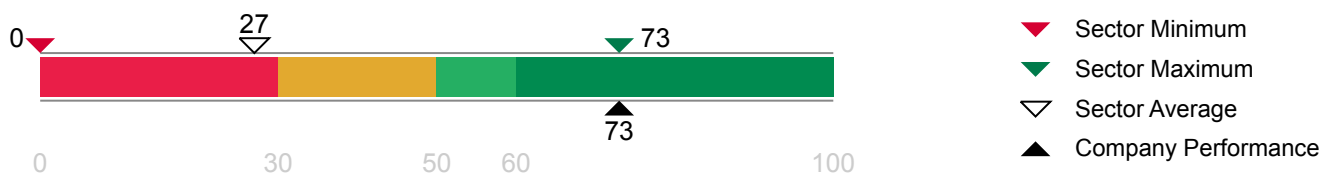
## ENV2.1 Protection of water resources

(deactivated)

This sustainability driver is deactivated for the airlines sub-sector as it is not a large water user given its low-level reliance on water consumption compared to its counterparts in the sector. Therefore, it is deactivated for Latam Airlines.

**ENV2.2 Minimising environmental impacts from energy use**

(score: 73, weight: 3)



**Relevance of the company's commitment in terms of reducing its energy consumption.**

The company has set quantified targets with regard to its energy consumption that cover the entire group, and these targets are ambitious relative to the sector.

LATAM has set the following targets:

- Reduce fuel consumption per unit transported by 1.5% per year by 2020 (2012: base year).

- Reduce energy consumption in infrastructures by 10% for 2020 (2015: base year).

Of note, LATAM is committed to the International Air Transportation Association's (IATA) and Carbon-Neutral Growth (CNG2020) initiative.

**Relevance of the company's commitment in terms of reducing its energy-related emissions.**

The company has set quantified targets with regard to its energy-related emissions that cover the entire group, and these targets are ambitious relative to the sector.

LATAM has set the following target:

- Reduce carbon operations from ground operations to zero carbon by 2020 (2012: base year)

**Means allocated to reducing energy consumption and/or related emissions**

The company works to optimize its production processes, in order to reduce its energy consumption and/or its related emissions in addition to programmes for customer participation.

- Monitoring systems/Audits
- Building/ facilities optimisation
- Fleet optimisation
- Alternative energy sources (e.g. bio-diesel)
- Customer participation (e.g. carbon offset initiatives, and other offered environmentally friendly travel solutions)

- *Monitoring systems:* LATAM monitors its energy consumption and CO2 emissions.

- *Alternative energy sources:* LATAM reports to invest in fuel efficiency initiatives, such as the Smart Fuel and Lean Fuel Project, that will allow the company to prevent significant amount of CO2 emissions. LATAM has also deployed the biofuels project.

- *Fleet optimisation:* LATAM reports to modernise its fleet of aircraft, Boeing 787 Dreamliner, in order to reduce costs associated with the consumption of fuel and to control greenhouse gas emissions. Also, to improve fuel efficiency, the company worked on improving load factor, on-board weight reduction, improved on-board technology for route planning, winglets & airframe modifications, engine upgrades/ replacement, early retirement of aircraft, and reduction of APU (Auxiliary Power Unit) through the use of one-engine taxiing and washing the engines in order to achieve a better combustion.

- *Customer participation:* For the company's cargo clients, there is a CO2 calculator available on the website that allows customers to calculate the CO2 emissions due to the flights of their cargo.

**Coverage of means allocated to reducing energy consumption and/or related emissions**

The company has taken such measures throughout the company.

**Energy consumption**

*The company's energy consumption, normalised to turnover, has increased over the past five years by 21%, from 5464 MWh / BN CLP in 2013 to 6640 MWh / BN CLP in 2017.*

**CO2 emissions linked to energy consumption (direct and indirect)**

*The company's CO2 emissions (direct and indirect) linked to energy consumption, normalised to turnover, have decreased but not continuously over the past three years by 5%, from 1836 t / BN CLP in 2015 to 1,742 t / BN CLP in 2017.*

**SO2 emissions linked to energy consumption**

*The company's Sulfur oxides emissions (SOx) linked to energy consumption, normalised to turnover, have decreased but not continuously over the past three years by 3.7%, from 0.2775 t / BN CLP in 2015 to 0.2637 t / BN CLP in 2017.*

**NOx emissions linked to energy consumption**

*The company's NOx emissions (direct and indirect) linked to energy consumption, normalised to turnover, have decreased but not continuously over the past three years by 5.4%, from 6.27 t / BN CLP in 2015 to 5.95 t / BN CLP in 2017.*

<b>Leadership</b>	<b>100</b>
Relevance	100

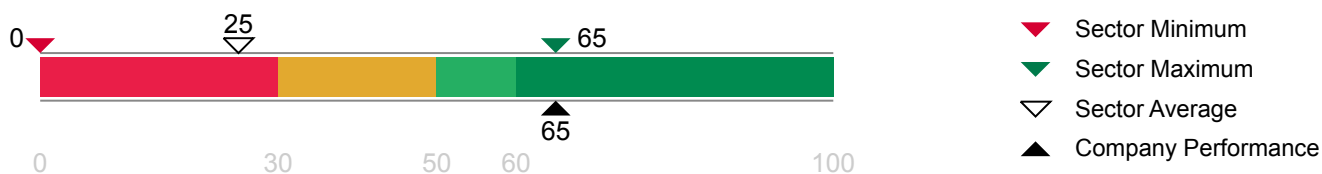
<b>Implementation</b>	<b>100</b>
Means & resources	100
Coverage	100

<b>Results</b>	<b>18</b>
Performance	18



ENV2.5 Waste management

(score: 65, weight: 1)



Relevance of the company's commitment with regard to its non-hazardous waste production

The company has set quantified targets with regard to its non-hazardous waste production that cover the entire group, and these targets are ambitious relative to the sector.

LATAM has set the following target:  
- reduce waste generation by 10% by 2020 (2015: base year).

Means allocated to waste management

The company has set up monitoring systems for its waste production, and has technological systems in place to reduce its impacts.

LATAM monitors its non-hazardous waste. In addition, the Company maintains dialogues with the Chilean government authorities in order to understand the scope of solid waste recovery legislation recently introduced in the country. After approval of the law, LATAM has regulated some sectors in the supply chain, such as electrical equipment, packaging, lubricant oils and tires.

Coverage of means allocated to waste management

The company has taken such measures throughout the company.

Non-hazardous waste

The company's non-hazardous waste production, normalised to turnover, has decreased but not continuously over the past three years by 7%, from 0.475 t / BN CLP in 2015 to 0.441 t / BN CLP in 2017.

Waste treatment / recycling

The percentage of waste recycled or reused has decreased over the past three years by 16.67 percentage points, from 34.11% in 2015 to 17.44% in 2017.

Of note, monitoring of waste prior to 2016 has a significant lower coverage.

Leadership	100
Relevance	100

Implementation	79
Means & resources	65
Coverage	100

Results	15
Performance	30
Trends	0

ENV2.6 Management of local pollution

(score: 41, weight: 2)



Relevance of the company's commitment to reducing its local pollution

The company's commitment relative to controlling its noise-related local pollution is general.

No quantified targets have been disclosed.

Means allocated to preventing local pollution

The company has set up limited measures to control local pollution of its operations, including:

- Monitoring systems/Audit
- Engine and fleet technologies
- Dialogue with relevant stakeholders
- Other measures (e.g. specific methods or concepts)

- *Monitoring systems: LATAM has monitoring systems to ensure aircrafts fulfil noise international standard (ICAO)*

- *Engine and fleet technologies: LATAM reports on purchasing two Airbus A350 which generate 40% less noise and also two Airbus A320Neo which generate 50% reduction in noise levels.*

Coverage of means allocated to preventing local pollution

The company has taken such measures throughout the company.

Complaints from residents about noise

The company does not disclose quantitative figures about complaints from residents.

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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

Leadership	30
Relevance	30

Implementation	58
Means & resources	30
Coverage	100

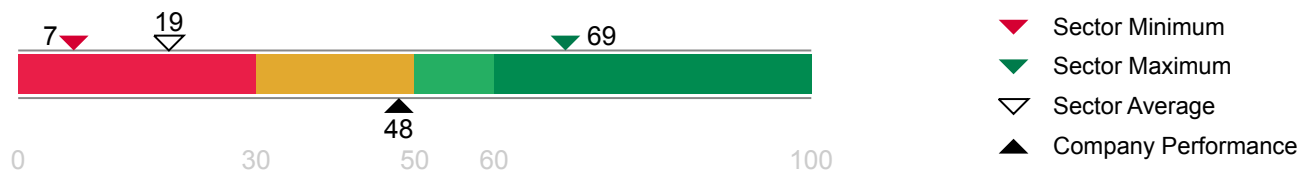
Results	35
Performance	35

Human resources

Score: 39

HRS1.1 Promotion of labour relations

(score: 48, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to promote labour relations in its:

*Code of Conduct*

Relevance of commitment

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

Ownership of commitment

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

*Each local branch of Latam Airlines has a Code of Conduct Managing Committee which reports directly to the board and is held responsible for resolving issues related to ethics and non-compliance.*

Coverage of employee representative bodies

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

*The Company states that 42.6% of its workforce is represented by a trade union.*

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to working conditions, including:

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

*- Remuneration: Latam states that collective bargaining may lead to a remuneration increase.*

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 05/2018, Latam Airlines 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.

*Collective bargaining agreements cover 83.9% of the total workforce.*

<b>Leadership</b>	<b>48</b>
Visibility	65
Relevance	30
Ownership	65

<b>Implementation</b>	<b>8</b>
Scope	30
Coverage	0

<b>Results</b>	<b>88</b>
Performance	88

HRS2.3 Responsible management of reorganisations

(score: 33, weight: 3)



**Relevance of commitment to manage reorganisations responsibly** The company commits to minimising the number of lay-offs and redundancies by anticipating and planning reorganisations.

**Involvement with employee representatives**

The company commits to negotiating with employee representatives on reorganisations.

*The company's planning of restructuring processes is monitored and supervised by trade unions and governments as well.*

**Means allocated to prevent and manage reorganisations**

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

- 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.

*As of 05/2018, Latam Airlines 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 does not provide any information on the impacts of reorganisations on employment.

Leadership	65	Implementation	0	Results	35
Relevance	65	Means & resources	0	Performance	35
Ownership	65	Coverage	0		

**HRS2.4 Career management and promotion of employability**

(score: 41, 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:

*Code of Conduct*

**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

**Ownership of commitment**

The Head of Human Resources is part of the company's Board or Executive Committee and line managers are evaluated on their performance in terms of human resources management.

*The Head of Human Resources is part of the company's 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.

*LATAM has an annual predefined performance appraisal process. Besides, the company's employees have access to information about vacancies available anywhere in the world and they can apply online. In addition, the company launched a single recruitment portal. It publishes offers of jobs throughout the company and allows market candidates to obtain information about job opportunities and the vacancies available and to apply through this portal for jobs in any country and any of the businesses that form part of LATAM Airlines Group.*

**Coverage of career management systems**

*The Company reports that around 95% of the staff went through performance assessment process in 2015. Also, no updated info can be found.*

**Types of training provided to non-managers**

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

*Training includes technical, behavioral and leadership programs. Some topics related to technical training include flight safety and emergencies. Training on the*

Company's Code of Conduct is provided to all employees.

**Means allocated to training for all employees**

The company's number of training hours, normalised to the number of employees, has decreased by 3% over the past three years, from 41.5 hrs / Nb in 2015 to 40.4 hrs / Nb in 2017.

**Mobility / turnover**

The company's turnover rate has increased over the past five years by 0.5 percentage points, from 15% in 2013 to 15.5% in 2017.

**Training delivered during the year under review**

There is no evidence that all the company's employees received training during the year under review.

<b>Leadership</b>	<b>65</b>
Visibility	100
Relevance	30
Ownership	100

<b>Implementation</b>	<b>40</b>
Means & resources	32
Scope	30
Coverage	65

<b>Results</b>	<b>18</b>
Performance	18

**HRS3.2 Improvement of health and safety conditions**

(score: 39, weight: 2)



**Visibility of health & safety commitments**

The company has made a formalised commitment to health and safety issues, and has set up quantitative targets in this regard.

*Code of Conduct. Latam aims to reduce accidents by 18% in 2018, using 2017 as baseline year.*

**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
- prevent exposure to passenger violence
- concerns over air quality

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management.

**Means allocated to health and safety**

The company has allocated means to address these issues, including a 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

- *Training and awareness raising programmes: LATAM reports to have assistance programmes for serious diseases that provide employees with educational and training actions; advisory programs (Management Body of Work Accidents Social Security - Security Mutual). In addition, the company has a calendar of training courses on in-flight safety, on the correct use of personal protective equipment and hearing protection, and ergonomics, among others.*

- *Internal monitoring: LATAM monitors its accident frequency rates and occupational disease rates.*

- *Risk assessments: the company conducts risks mapping to ensure safety in all its operations in all phases.*

- *Internal H&S audits: the company conducts regular periodic operational safety audits that are checked by the International Air Transport Association (IATA) and the Latin American and Caribbean Air Transport Association (ALTA).*



**Coverage of health and safety system**

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

**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 address mental health**

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

**Accident frequency rate**

*LATAM's number of injuries has decreased continuously over the past five years, from 1,028 injuries in 2013 to 444 injuries in 2017. However, absence of reporting on hours worked makes impossible to determine a frequency trend.*

**Other health and safety indicators**

*LATAM's number of lost days has decreased continuously over the past five years, from 18,046 lost days in 2013 to 6,680 injuries in 2017. However, absence of reporting on hours worked makes impossible to determine a frequency trend.*

**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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>65</b>
Visibility	100
Relevance	65
Ownership	30

<b>Implementation</b>	<b>40</b>
Means & resources	32
Coverage	50

<b>Results</b>	<b>11</b>
Performance	11

**HRS3.3 Respect and management of working hours**

(score: 33, weight: 2)



**Visibility of commitment**

The company has made references to promote the respect and management of working hours in its:

*Sustainability Report*

**Relevance of commitment**

The company's commitment addresses its main responsibilities:

- Respect the rights of employees to vacation and leisure time
- Provide compensation measures for those employees working atypical hours or overtime
- Take into account the desires of employees in establishing working hours (flexibility, part-time)

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management.

**Coverage of measures to compensate for atypical working hours**

*There is no evidence that such measures cover all of the Company's employees.*

**Means to promote work/life balance**

The company has taken some measures to take into account employee preferences in setting working hours, such as

- voluntary flex-time schemes
- telecommuting
- voluntary part-time work
- sabbatical years
- additional paternity leave
- child-care services at the workplace

- *Voluntary flex-time schemes: Latam offers its employees the possibility of leaving work at 1 p.m. on Fridays throughout the year. The hours are compensated between Monday and Thursday.*  
 - *Telecommuting: Working from home is permitted once a week, conditional upon the agreement of the employee's immediate manager.*

**Amount of overtime**

Information obtained from the company and public sources regarding the amount of overtime 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.

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>48</b>
Visibility	30
Relevance	65
Ownership	30

<b>Implementation</b>	<b>30</b>
Means & resources	30
Coverage	30

<b>Results</b>	<b>22</b>
Performance	22

Human rights

Score: 40

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

(score: 43, weight: 2)



Visibility of commitment

The company has made references to respect and promote human rights in society in its Sustainability Report. Also, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to respect and promote human rights in society is general.

- respect the right to privacy for passengers
- prevent complicity in human rights violations

Ownership of commitment

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

Means allocated to protect the right to privacy

The company has allocated some measures to ensure the respect of the right to privacy that include:

- Awareness-raising programmes for employees on privacy rights
- Training programmes for employees on privacy rights
- Processes to protect against the loss, alteration and misuse of passengers data.
- Grievance mechanisms
- Human rights impact assessments
- Internal privacy rights audits
- External privacy rights audits/verification
- External investigation of allegations

- Awareness-raising and training for employees on privacy rights: The company states that it conducts internal training and education for its employees. Besides, online Privacy Policy internally available to all employees.

Coverage of the means allocated to protect the right to privacy

The company has set up such systems throughout the company.

Means allocated to prevent complicity in human rights violations

Information obtained from the company and public sources regarding systems to prevent complicity in human rights violations.

- Ban of degrading or inhuman treatment of deported passengers
- Systems to prevent deportation leading to family split
- Measures to promote the responsible use of security forces

**Coverage of means allocated to prevent complicity in human rights violations**

Information obtained from the company and public sources regarding procedures in place to prevent complicity in human rights violations 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.

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>30</b>
Visibility	30
Relevance	30
Ownership	30

<b>Implementation</b>	<b>33</b>
Means & resources	15
Coverage	50

<b>Results</b>	<b>65</b>
Performance	65

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

(score: 34, weight: 2)



**Visibility of commitment**

*The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Conduct. In addition, the company is a signatory of the Global Compact and communicates on this principle.*

**Relevance of commitment**

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

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management.

**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.

*Of note, the Company monitors the percentage of the staff that belongs to a trade union and the percentage of the staff covered by a collective agreement.*

**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**

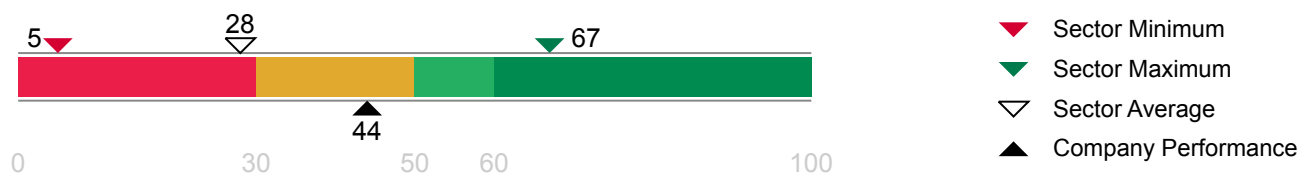
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

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

HRT2.4 Non-discrimination

(score: 44, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Code of Conduct. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- 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 and is supported by senior management.

Means allocated to prevent discrimination

The company has set up significant 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

- Training: The Company states that it provides training on compliance of its code of conduct to its employees.
- Monitoring: Latam airlines monitors the company's gender balance for each country of operation
- Confidential reporting system: The Company monitors any action suspicious of discrimination through an independent third party whistle blowing channel.
- Monitoring of salary disparities: The company monitors the ratio of salaries between men and women for different positions.

**Coverage**

72% of the group employees received training on the Code of Conduct, while all of the companies sites can access to the confidential reporting channel and receive monitoring of gender balance and salaries disparities.

**Results in terms of women in management positions**

Information disclosed on performance indicators such as the share of women in management positions is insufficient to determine a trend.

The share of women in the workforce has decreased over the past five years by 4 percentage points from 42.5% in 2013 to 38.5% in 2017. The share of in management positions increased continuously by 13.2 percentage points between 2013 and 2015, however, data is missing for 2016 and 2017.

**Results in terms of employment of employees with disabilities**

The company does not disclose quantitative data on performance indicators such as the share of employees with disabilities 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.

As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver

<b>Leadership</b>	<b>51</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>16</b>
Visibility	65	Means & resources	65	Performance	65
Relevance	65	Coverage	65	Trends	0
Ownership	30				

Community involvement

Score: 52

CIN1.1 Promotion of the social and economic development

(score: 52, weight: 3)



Visibility of the policy

The company makes references to promote local social and economic development in its Sustainability Report. However, the visibility of this policy is lowered by its absence of formalisation.

Relevance of commitment

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

- Optimise the impact of operations on the local economy
- Setting voluntary schemes to create, sustain and develop local businesses
- Respecting the social, cultural and natural local traditions
- Engaging in continuous stakeholder dialogue with local communities
- Implementing a responsible tax strategy

Ownership of commitment

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

The commitment is supported by Board of Institutional Relations and Corporate Social Responsibility

Resources allocated to the mitigation of the impact of the company's operations in areas hosting its operations.

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

- Social impact assessment when implantation in new areas or closing sites
- Reduction of the social impacts related to site closures and restructuring
- Local communities dialogue process

- Local communities dialogue process: the company is in continuous dialogue with civil society organisations and local communities through the Board of Institutional Relations and Corporate Social Responsibility to respond to local needs in relation to various topics, such as sustainable tourism, organ and wildlife transportation, and financial support for social and environmental projects.

Geographical coverage

These means are allocated throughout the company.

Resources allocated to promotion of the social and economic development

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

- Promotion of local employment
- Support the development of local suppliers

Partnerships with local authorities for local capacity building

- Partnerships with local authorities for local capacity building: LATAM maintains dialogue with local governments and airports concessionaires, while also monitoring expansions works carried out in these facilities.

**Geographical coverage**

These means are allocated in the majority of company's sites.

The means have been implemented in Chile, Argentina, Peru and Brazil.

**Performance trend**

The company does not monitor/report indicators on social and economic development.

**Transparency of tax reporting**

The company reports only on gross taxes paid. There is no breakdown on a regional or country basis.

- 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

**Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules**

The Company does not operate in any location considered by the IMF as 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules

**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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver

<b>Leadership</b>	<b>58</b>
Visibility	30
Relevance	65
Ownership	65

<b>Implementation</b>	<b>56</b>
Means & resources	30
Coverage	82

<b>Results</b>	<b>42</b>
Performance	57
Trends	0

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**CIN2.1      Societal impacts of the company's products / services**

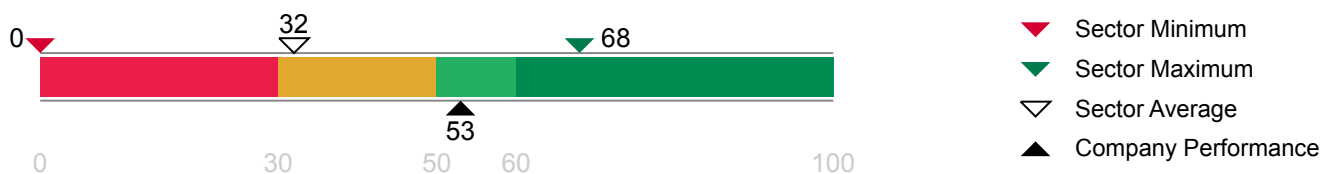
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(deactivated)

This sustainability driver is not analysed for the airlines sub-sector. The issue of noise from aircrafts which can have major social impact on local people living and working close to airports is analyzed under the sustainability driver ENV2.6: "Management of local pollution".

CIN2.2 Contribution to general interest causes

(score: 53, weight: 1)



Relevance of commitment

The company's commitment to supporting general interest causes addresses most of the relevant issues for the sector:

- Public health
- Education/Literacy
- Reponse to natural disasters
- Culture
- Youth development/Sport

Ownership of commitment

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

Means allocated

The company has allocated some means to general interest causes, including:

- Financial support
- In-kind donations
- Fund raising
- Dedicated foundation
- Allowing staff time
- Sponsoring employee volunteering
- Pro-bono work
- Complementing or matching employees' charitable contributions

- *Financial Support: LATAM launched its Flying Cooks programme in partnership with the Pachacutec Foundation and Peruvian local authorities. The programme provides fully study scholarships for youngsters that want to study gastronomy and captures talents from locations where LATAM operates in order to promote Peruvian gastronomy and to drive the economic development of theirs communities. Also, the programme aims to invest in promoting healthcare and tourism in the participating cities and regions. Five and six-year old children studying in the schools participating in the programme receive medical accompaniment focused on eradicating anemia and malnutrition. Teacher and parents can attend to seminars addressing sustainable, healthy eating habits and local tourism.*

- *In-kind donations: LATAM has a Humanitarian Airplane service that has operated in four emergency situations based on requests from embassies and humanitarian aids organizations. Also, humanitarian cargo was transported during the year. The partnership with the Brazilian Ministry of Health goes on and the Company continues to transport organs and tissue used in transplants. Animals under threat, including wild species are transported by LATAM by request of environmental organizations in diverse countries, enabling the return of these animals to their natural habitats. Finally, in partnership with the Easter Island local government, LATAM transports recyclable materials to continental Chile and the incomes generated by the commercialization of the materials are invested in environmental preservation projects on the island. A similar agreement is in place with the government of the island of San Andrés in Colombia, where used tires are*

transported to the country's capital, Bogota, in order to help preserve the island environmental resources and also decrease the incidence of disease-carrying mosquitoes.

- *Allowing staff time: LATAM volunteers use staff time for participating in the Dream of Flying programme, which provides free flights to unprivileged children from schools in Argentina, Chile and Ecuador.*

- *Sponsoring employee volunteering: Employee volunteers participate in donation campaigns that benefit charities and social organizations. Colombia invested in the donation of new uniforms for children and youths supported by the Fundación Vida y Esperanza. In Argentina, clothes and non-perishable foods were collected and distributed to families affected by heavy rains in Comodoro Rivadavia, in the province of Chubut. In Brazil, the traditional Winter Clothing Campaign raised clothes, blankets and other articles. LATAM Airlines Ecuador also donated energy bars to a food bank in the city of Guayaquil. These items had been offered during flights to the island of Baltra, in the Galapagos, before the implementation of the LATAM Market. A campaign was initiated to encourage employees to donate their old uniforms. In Brazil, the clothes were collected by the NGO Amigos do Bem, which takes them apart and distributes the material in underprivileged communities. In Chile, old uniforms were sold to a clothes recycling company. The proceeds were donated to the Fundación DeBuenaFe, which promotes entrepreneurship among underprivileged women. In Peru, the employees' old uniforms were sent to the Asociación de Artesanas de Pachacamac, a region close to the country's capital, Lima. The women in the association transformed the donated clothes into new products, which were then sold by the association.*

**Scope of the means allocated**

The resources allocated by the company contribution to general interest causes programmes address most issues.

- Public health
- Education/Literacy
- Response to natural disasters
- Culture
- Youth development/Sport

**Trend in contributions to general interest causes**

The company monitors indicators on contributions to general interest causes, and these have been stable over time.

*The company's total value of donations (monetary, tickets, in-kind donations) as percentage from EBIT has increased by 0.016 percentage points from 0.044% in 2015 to 0.028% in 2017.*

Leadership	56	Implementation	39	Results	65
Relevance	65	Means & resources	30	Trends	65
Ownership	30	Scope	65		

Business behaviour (C&S)

Score: 39

C&S1.1 Customer Safety

(score: 59, weight: 2)



Visibility of commitment

The company has made references to customers safety in its: *Sustainability Report.*

Relevance of commitment

The company's commitment addresses customers safety and crisis management. Moreover, it has adopted a preventive approach.

*LATAM follows an Emergency Response Plan (ERP), which is managed through the Emergency Committee led by a top level executive, and which reports directly to the CEO. The ERP considers processes focused on responding to an emergency and mitigating its effects. The ERP is supported in the Emergency Response Preparation Manual, which is where the emergency scenarios, organization, training and formats of plans and procedures, which are drafted for each level (parent company or affiliate), are defined and described.*

Ownership of commitment

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

*Of note, LATAM states that it has an area specifically dedicated to the management of operational safety and security risks.*

Prevention systems

*The company has allocated some resources to ensure customers safety that includes:*

*- Screening systems of crew and staff: LATAM and its affiliates are compliant with local legislation related to boarding of passengers or without the proper documentation (out of date or counterfeit) or inadmissible passengers. The Company has adapted its procedures according to more strict security rules announced to be implemented in flights arriving to the United States.*

*- Security controls for cargo hold and on-board luggages: In order to prevent security breaches, LATAM has implemented procedures such as controlling the entry and exit of employees and visitors to LATAM and its affiliates premises, safeguarding aircraft remaining on the tarmac and in hangars overnight, as well as cargo shipments.*

*- Specific security checks for runway operations: The MNT safety performance index measures flight and ground consequences caused by maintenance issues, such as engine failure, air turnback, diversion and rejected landing.*

*- Monitoring and security systems in place on aircraft: The FLT safety performance index aims to measure flight safety indicators in an integrated manner, incorporating weights for each event as well as different accelerators based on operational risks during flight.*

*- Security training for staff: Safety trainings are conducted to address issues such as exposure to noise, work at height, operation of mobile equipment, handling of*

hydraulic systems and work in confined space. Also, employees participate in trainings, drills and simulations in the framework of Emergency weeks.

Of note, in association with other Latin American airlines, LATAM organized a working group to discuss international security, including terrorist attacks and other threats while boarding passengers and during flights. Representatives from North American and European airlines participated but no local governments security enforcers.

**Coverage of the prevention systems**

The company has set up such systems throughout the company.

The Company's ERP is implemented in 11 local committees in each of the group subsidiaries: Chile, Brazil, Argentina, Peru, Colombia, Ecuador, United States, Paraguay, Spain, Mexico and LATAM Cargo Brazil.

**Crisis management system**

The company has allocated human and material resources to its crisis management system and to alert its potential clients. In addition, the company works to limit the expansion of the crisis through safety measures.

In the framework of its Emergency Response Plan (ERP), The company has allocated human and material resources to its crisis management system and to alert its potential clients. In addition, the company works to limit the expansion of the crisis through safety measures.

**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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver

**Transparency and trends of indicators relative to customer safety**

The company does not disclose any indicator relative to the outcomes of its customer safety policy.

Leadership	79	Implementation	63	Results	35
Visibility	30	Means & resources	48	Performance	65
Relevance	100	Coverage	100	Trends	0
Ownership	65				

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**C&S1.3 Responsible Customer Relations**

(score: 54, weight: 3)



- ▼ Sector Minimum
- ▼ Sector Maximum
- ▽ Sector Average
- ▲ Company Performance

**Visibility of commitment**

The company refers to responsible customer relations in its: *Sustainability Report.*

**Relevance of commitment**

The company's commitment on responsible customer relations addresses the main issues for this sector, including:

- Ensure client satisfaction
- Prevent abusive sales practices
- Ensure the reliability of the service
- Ensure timely, fair and transparent treatment of complaints

**Ownership of commitment**

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

*As part of the Twist project, the Company's most recent customer service culture, new work routines have been implemented, such as daily pre-flight dialogues between leaders and teams, a platform for receiving suggestions for improvements from employees and a programme to recognize outstanding performance.*

**Means allocated to ensure that contractual agreements are respected**

*The company has set up some measures to ensure that customers are treated appropriately and that contracts are respected, including:*

- *Real-time information to customers and delay: Customers can trace progress of its travel through the Company mobile app.*
- *Information on trip planning: Information on routes and services aboard is available via LATAM's mobile app. Also, trip planning allows passengers to incorporate and customize additional services, such as baggage dispatch, choice of seat, flexibility to modify date of travel and car rental at destination.*

**Coverage of the measures implemented**

The company has set up such systems throughout the company.

**Complaints management system**

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

**Customer satisfaction**

*The Company's performance in terms of customer satisfaction has increased by 18 percentage points over the past five years, and continuously, from 69% in 2013 to stand at 87% in 2017.*

## 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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>55</b>
Visibility	30
Relevance	65
Ownership	65

<b>Implementation</b>	<b>31</b>
Means & resources	20
Coverage	65

<b>Results</b>	<b>76</b>
Performance	76

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**C&S2.2 Sustainable Relationships with suppliers**

(deactivated)

This Sustainability Driver is only analysed for large companies in the Travel & Tourism Emerging Market sector: it is therefore not analysed for LATAM.

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**C&S2.3**      **Integration of environmental factors in the supply chain**  
(deactivated)

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This Sustainability Driver is only analysed for large companies in the Travel & Tourism Emerging Market sector: it is therefore not analysed for LATAM.

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

(score: 40, weight: 3)



**Visibility of commitment**

The company has issued a formalised commitment to including social factors in supply chain management in its Code of Conduct.

**Relevance of commitment**

The company's social requirements for suppliers address the main 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.)

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management.

**Means allocated to integrate social issues in the supply chain**

The company has set up limited measures to include social factors in supply chain management:

- 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

- *Non-compliance procedures for suppliers: Suppliers identified as risky are analysed on a one to one basis by the Compliance area to check whether the alert is justified or not. If it is considered to be grounded, the area either indicates the corrective measures to be taken or recommends the termination of the contract.*

- *Risk assessments for suppliers: Every month, LATAM analyses information on suppliers with active contracts using the Lexis Nexis system. This system utilizes an extensive international data base encompassing involvement in corruption, anti-competitive conduct, financing terrorism and drug trafficking, exploitation of child and slave labor.*

**Audits of suppliers or subcontractors**

The company includes social aspects in its standard quality audits of suppliers.

*LATAM conducts continuous monitoring of all critical suppliers, such as those for aircraft parts, aviation fuel, airport equipment, back up and passenger tracking systems. Besides, it conducts technical audits to oversee fulfillment of employment obligations, analyse issues such as over time and equipment maintenance.*

**Coverage of the social audits**

The audits implemented cover a minority of purchases.

*The audit is implemented in units of the LATAM such in Chile, Peru, Colombia, Argentina, Ecuador, and Paraguay.*

**Share of corrective measures vs problems uncovered**

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

**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 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>56</b>
Visibility	65
Relevance	65
Ownership	30

<b>Implementation</b>	<b>30</b>
Means & resources	30
Coverage	30

<b>Results</b>	<b>35</b>
Performance	35

**C&S3.1 Prevention of corruption**

(score: 33, weight: 1)



**Visibility of commitment**

The company has issued a formalised commitment to preventing corruption in its: Code of Conduct  
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:

- 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**

The company has instituted awareness-raising programmes for relevant employees on corruption prevention.

LATAM's employees receive training on prevention of corruption during the training of the Code of Conduct.

**Means allocated**

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)
- 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

- *Dedicated confidential hotline or email address: The company has a third party confidential reporting channel for breaches related to ethics, including bribery and conflict of interests.*

- *Risk assessment of company vulnerability: Latam's Lexis Nexis risk assessment system utilizes an extensive international data base encompassing involvement in corruption.*

- *Due diligence in evaluating suppliers: The Company conducts regular audits to suppliers, which includes topics related to corruption.*

**Coverage**

The measures implemented cover all significant parts of the company as well as sales agents.

**Reporting**

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

*A review of stakeholder sources revealed that the Company is involved in a isolated controversy of high severity*

*As of 05/2018, Latam Airlines was involved in 1 controversy*

 **Stakeholders' feedback**

- *Case 1 (25/07/2016): LATAM Airlines agreed to pay USD 22m (EUR 20m) over Argentine bribes case.*

*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, Latam Airlines's response is considered: - case 1: The company is reactive: the Company has agreed to settle the case*

*The analysis of Latam Airlines management of each case is available in Vigeo's controversy profile.*

Leadership	58
Visibility	65
Relevance	65
Ownership	30

Implementation	30
Means & resources	15
Coverage	65

Results	12
Performance	12



C&S3.2 Prevention of anti-competitive practices

(score: 27, weight: 2)



Visibility of commitment

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

*Code of Conduct*

Relevance of commitment

The company's commitment to preventing anti-competitive practices addresses part of its responsibilities:

- Market-sharing
- Abuse of dominant position
- Dumping
- Industrial espionage
- Price-fixing
- Non respect of confidential agreements

Ownership of commitment

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

*The Legal Vice-Presidency is responsible for LATAM's Compliance Program.*

Involvement of employees

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

*LATAM's employees receive training on prevention of anti-competitive practices during the training of the Code of Conduct.*

Means allocated to 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)
- external investigations of allegations

*- Dedicated confidential hotline or email address: The company has a third party confidential reporting channel for breaches related to ethics, including bribery and*

*conflict of interests.*  
 - Risk assessment of company vulnerability: Latam's Lexis Nexis risk assessment system utilizes an extensive international data base encompassing involvement in corruption.

**Coverage to means allocated to prevention of anti-competitive practices**

The measures implemented cover all significant parts of the company as well as sales agents.

**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 revealed that the Company is involved in a isolated controversy of high severity*

*As of 05/2018, Latam Airlines was involved in 1 controversy*

*- Case 1 (17/03/2017): 11 air cargo carriers fined by the European Commission over price-fixing cartel*

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

**Company's responsiveness**

Overall, the company is non-communicative

*For each of the above mentioned cases, Latam Airlines's response is considered:  
 - case 1: The company is non communicative: the company denies the facts without further explanations OR only provides vague and general statements on the case*

*The analysis of Latam Airlines management of each case is available in Vigeo's controversy profile.*

<b>Leadership</b>	<b>51</b>
Visibility	65
Relevance	30
Ownership	65

<b>Implementation</b>	<b>30</b>
Means & resources	15
Coverage	65

<b>Results</b>	<b>0</b>
Performance	0

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

(score: 12, weight: 2)



**Visibility towards stakeholders**

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

**Comprehensiveness of the commitment**

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**

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

**Coverage**

Information regarding the percentage of the company covered by such controls and measures is insufficient.

**Reporting**

The company does not disclose the budget directly and indirectly 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

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>35</b>
Performance	35

Corporate governance

Score: 34

CGV1.1 Board of Directors

(score: 40, weight: 3)



- ▼ Sector Minimum
- ▼ Sector Maximum
- ▽ Sector Average
- ▲ Company Performance

**[LISTED COMPANIES] Existence and independence of Nomination Committee**

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

*In line with Chilean corporate legislation, the Board cannot propose candidates to the Board. Therefore, executives are nominated by the Board, and no specific Committee appears to be in charge of nomination.*

**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 Company's Sustainability Management is periodically reported to the Executive Committee, who approves the sustainability strategy of the company. There seems to be no committee dedicated to CSR issues.*

**Share of independent shareholder-elected Board members**

[LISTED COMPANIES] In accordance with standards advocated by Vigeo, the Board is more than 50% independent.

*Five members of the 9-member 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

*Mr. Ignacio Cueto, Mr. Juan Cueto, Mr. Giles Agutter and Mr. Antonio Pizarro have demonstrated professional experience in the Airline Business, which is the Company's sector of activities.*

**Training and expertise provided to board members**

Training is provided upon joining the board and through regular updates, including training on CSR issues.

*The Directors Committee receive training on the Company's Compliance Program, which includes a review of the Code of Conduct, Policies and Procedures, the Due Diligence of Third Party Intermediaries (TPIs) process, the Manual of Crime Prevention, the continuous advisory of Compliance through the Ambassadors Program, the Hotline and internal investigations, risk assessment processes,*

certification and trainings. Also, all new directors undergo training on sustainability upon joining the board.

**Regular election of Board members**

Board members are elected at least every three years but these elections are staggered. Board members are eligible for re-election following 2-year terms.

**Evaluation of Board's functioning and performance**

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

**Existence and relevance of the review of CSR issues at board meeting**

The formal CSR reporting has been signed by the CEO, but there is no evidence that relevant CSR issues are reviewed at board meetings. Of note, training programmes for employees are discussed at Board meetings.

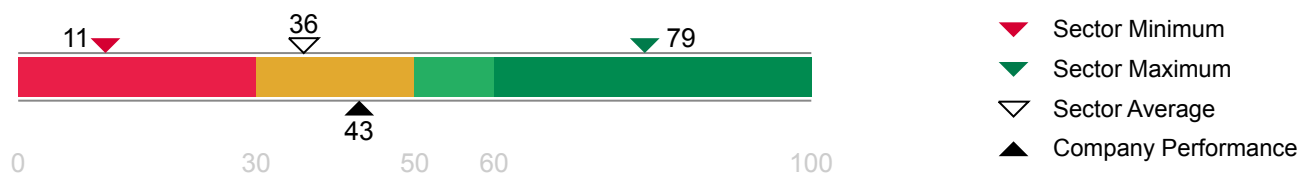
**Regularity of and attendance at Board meetings**

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

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Ignacio Cueto Plaza	Chairman		X									X	Represents Costa Verde Aeronáutica S.A.	
Carlos Heller Solari	Vice Chairman		X									X	Represents Axxion S.A.	
Juan J. Cueto Plaza			X						X			X	Represents Costa Verde Aeronáutica S.A.	
Henri P. Reichstul			X											X
Giles Agutter			X											X
Eduardo Novoa			X			X								X
Nicolas Eblen Hirmas			X			X						X	Represents Inversiones Andes S.A.	
Antonio Pizarro			X											X
Georges d Bourgignon	President of the Directors and Audit Committee		X			X								X

CGV2.1 **Audit & Internal Controls**

(score: 43, weight: 2)



**[LISTED COMPANIES] Existence and independence of Audit Committee**

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

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

**Skills and backgrounds of Audit Committee members**

*Members appear to have financial experience and relevant operational experience.*

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

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Contractual customer rights
- Working time models
- Social dialogue
- Energy efficiency
- Operations safety

*- Operations safety: Latam states that its operations may be adversely affected by a downturn in the airline industry caused by exogenous events that affect travel behavior or increase costs, such as outbreak of disease, weather conditions and natural disasters, war or terrorist attacks.*

**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**

Information obtained from 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**

The audit firm receives non-audit fees, but these represent only 5% or less of total fees.

*Non-audit fees represented 0.8% of total fees paid to 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 stakeholder sources revealed that the Company is involved in a isolated controversy of significant severity*

*As of 05/2018, Latam Airlines was involved in 1 controversy*

*- Case 1 (25/07/2016): LATAM Airlines agreed to pay USD 22m (EUR 20m) over Argentine bribes case.*

*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, Latam Airlines's response is considered:  
- case 1: The company is reactive: the Company has agreed to settle the case*

*The analysis of Latam Airlines management of each case is available in Vigeo's controversy profile.*



CGV3.1 Shareholders

(score: 41, weight: 2)



**Nonexistence of voting rights restrictions**

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

**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**

No major restrictions have been identified.

**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.

**Ability to vote on relevant issues in separate resolutions at AGM**

Not all major items are put to a shareholder vote.

*The following items are not put to a vote at the AGM:*  
 - Election of board members (a separate resolution for each member);  
 - Executive remuneration.

**Presentation of CSR strategy to shareholders and investors**

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

- Contractual customer rights
- Working time models
- Social dialogue
- Energy efficiency
- Operations safety

*Of note, the Sustainability Strategy is presented annually to the Board.*

**Board's attitude towards CSR-related shareholder resolutions**

Information obtained from company and public sources, regarding the Board's attitude toward legitimate CSR related shareholder resolutions 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

*As of 05/2018, Latam Airlines did not appear to be involved in any controversy related to this sustainability driver*

**CGV4.1 Executive Remuneration**

(score: 11, weight: 2)



**[LISTED COMPANIES] Existence and independence of Remuneration Committee** No specific committee is in charge of executive remuneration, which might raise concerns.

**Disclosure of senior executives' individual remuneration** [LISTED COMPANIES] All elements of executive remuneration are disclosed on an individual basis. However, the fair value estimate of individual grants under the long term incentive plans is not disclosed.

**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.

- Contractual customer rights
- Working time models
- Social dialogue
- Energy efficiency
- Operations safety

**Severance pay for senior executives** *Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.*

**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.*

**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 05/2018, Latam Airlines 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
2018/06	++	+	++	++	+	+
2016/06	+	++	++	++	+	+
2014/07	++	++	+	++	++	=

### SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	60	76	67	16
Human resources	39	59	23	33
Human rights	40	39	33	49
Community involvement	52	58	52	48
Business behaviour (C&S)	39	50	31	37
Corporate governance	34	34	42	27

### SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	69
	2	27
	3	N/A

Environment 2	1	N/A
	2	73
	5	65
	6	41

Sub-domain	Criterion	Score
Human resources 1	1	48
Human resources 2	3	33
	4	41
Human resources 3	2	39
	3	33

Sub-domain	Criterion	Score
Human rights 1	1	43
Human rights 2	1	34
	4	44

Sub-domain	Criterion	Score
Community involvement 1	1	52
Community involvement 2	1	N/A
	2	53

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	1	59
	3	54
	2	N/A
Business behaviour (C&S) 2	3	N/A
	4	40
Business behaviour (C&S) 3	1	33
	2	27
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	40
Corporate governance 2	1	43
Corporate governance 3	1	41
Corporate governance 4	1	11

## Contacts

Analyst: Joaquin Fuenzalida • joaquin.fuenzalida@vigeo-eiris.com  
 Research Manager: Saloua Saidi • saloua.saidi@vigeo-eiris.com

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## Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/06	Controversial Activities Screening
2018/06	<b>Full ESG profile</b>