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Legal Name	Celeo Redes Chile Limitada
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Incorporation	November 10th, 2016
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Sustainability Report 2018



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Welcome
to our 2018
Report



1.1. Highlights of our 2018


119,835
hours without
accidents


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1.2. Our great milestones in 2018

AWARDING OF NEW PROJECTS

In 2018, we were awarded the construction, operation and maintenance of two important project groups which will improve the zonal transmission system, strengthening the power infrastructure in various locations.

The first group of projects called "Mataquito - Hualqui" includes the construction of 6 transmission sections in 66 kV and 220 kV, totaling 387 kilometers and the implementation of five substations. The second is the "Nueva Alto Melipilla - Agua Santa" project and involves the construction of a 220 kV transmission line in a double circuit, with an approximate length of 111 kilometers, the construction of a section in a 110 kV voltage and the implementation of two substations.

Investments in these projects totaled an approximate reference value of US\$400 million, which will practically double the company's capacities, positioning it as one of the most significant players in the country and consolidating our business model nationwide.

CERTIFICATION FOR THE INTEGRATED QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT SYSTEM (CMASS SIG)

Since 2017, the implementation of the CMASS SIG has allowed us formalizing our processes, planning our activities and defining action protocols, which were developed in a participatory fashion by all units of our company and are now known to all our employees.

This year, we obtained the certification of our CMASS SIG, under the ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards. The aforementioned certification transversally includes all activities of our company, from the involvement in bidding processes, construction and development of our projects, to the operation and maintenance of our assets. Receiving the validation of these processes by a third party confirms that we are making steady progress towards what we want to be: a world-class company promoting a safe, coordinated, quality, efficient work culture that is aware of its environmental impact.



1.3. Message from the Chairman of the Board of Celeo Redes S.L.

It is my pleasure to present the third Sustainability Report of Celeo Redes Chile: a document showing the results of our company from the environmental, business and social point of view during year 2018.

Celeo Redes Chile is a company proposed to be a contribution to the energy sector since its inception, operating with professionalism, commitment and transparency, in order to contribute to the development of the territories where it operates. Today, nine years after the start of our presence in Chile, I can proudly state that we have achieved the first goals we had set and that we look to the future with confidence in continuing growth and contributing to the development of the country.

In the case of businesses in Chile, we have proposed to become a player contributing to the nation's energy sector from our solid technical knowledge and our ability to build trust. Our business is a key factor in the conduction of production activities in the country and the daily life of its citizens, which is why we speak to our stakeholders with honesty and transparency, providing all necessary information allowing us to create a solid bond.

I would like to begin by highlighting the **validation in 2018 of our CMASS SIG Integrated Management System** by obtaining the ISO 9001, ISO 14001 and OHSAS 18001 certifications relating to Quality, Environment and Safety, respectively. This is an award for the activities of all those who work at Celeo Redes Chile, since all units of our company were certified, which ensures a solid standing in the face of future growth.

Similarly, during 2018, we were acknowledged by the prestigious **GRESB benchmark**, an evaluation measuring the environmental, social and governance performance of various organizations around the world under sustainability criteria, including various investment projects from various sectors, in order to inform investors

on the risk and return profile of their investments. We took part in this platform for the first time in the past year and obtained a 63 score, equivalent to 4 out of 5 stars. As a result of the feedback received, we extract some improvement opportunities to be implemented over the next few years in addition to various strengths to be maintained in the future.

These achievements encourage us to continue working with the passion and professionalism that has characterized us all these years, as a company seeking to grow in a sustainable manner and which shares its experiences with other members of the sector. I would like to highlight the effort of all employees in Chile to achieve these results during 2018, because I am convinced their commitment has allowed us to close this year with great satisfaction.

On behalf of the Board, I invite you to learn in greater detail about the activities conducted during 2018 which bring us closer to achieving the goal of becoming a relevant player in the sector, contributing with a sustainable vision of the business and nationwide energy development.

Warm greetings,

JOAQUÍN GÓMEZ DE OLEA
Chairman of the Board



1.4. Message from the CEO of Celeo Redes Chile Limitada

It is with a great pride I hereby present the third Sustainability Report of our company, an annual instance in which we share our vision on the sustainability of our business and show the performance of our organization in business, environmental and social matters during year 2018.

As in previous processes, this document complies with the methodology requirements for the preparation of sustainability reports provided by the Global Reporting Initiative (GRI) in its most recent issue. These guidelines allow us to clearly and transparently report on our performance in relevant areas, both for our business and stakeholders.

Given the role played by the energy sector in the country, it is key to provide clear and reliable information, demonstrating to our stakeholders that we are a company they can trust. In this context, we adhered to the Red Chile Global Compact by early 2018, committing ourselves to identify and report on progress in compliance with the ten Global Compact principles - through our Progress Communication or CoP, contained in this report.³ - and in tune with the Sustainable Development Goals, also known as ODS. This alliance emerged as a way to manifest our commitment to Sustainable Development and our support for the principles set out in the Global Compact at the international level.

The changes Chile is currently experiencing require the energy sector be prepared to ensure a safe, reliable and least possible cost power supply to an increasing energy demand, which inspires us to look for opportunities for continuous improvement in order to increase the efficiency of our operations and the quality of the service rendered to the Nationwide Power System. This is especially true in a context where the country's energy infrastructure is diversifying and therefore it is necessary to have the transmission be led by reliable, efficient and impeccably behaved actors. Our commitment is to always relate to our stakeholders under these principles.

Year 2018 was a year in which we reaped the fruits of a well-planned operation executed with the commitment, effort, dedication and professionalism of all our employees. If in the previous period we reported on the consolidation of our business model, this year was marked by opportunities found to continue growing with a firm step, ensuring the sustainability of our business from the social, environmental and business points of view, and serving the interests of our stakeholders.

Let me highlight the **awarding of two new electric projects:** the 2x220 kV Nueva Alto Melipilla - Agua Santa line, which includes two new power substations, and the Matax - Hualqui 2x220 kV line, which includes the construction of five new substations. Their development will turn us into one of the most relevant players in the domestic sector in terms of linear kilometers, number of substations and investments within the country, consolidating our position in the Chilean energy market.

These projects will be added to our current 506 kilometers⁴ of transmission lines in operation, which will improve the zonal transmission system, providing a greater slack which will result in a better service and the ability to connect new ERNC projects to the power grid. To achieve this, we will have to put our work, knowledge and experience obtained in almost a decade of successfully developing transmission projects in Chile, into practice.

3. For further specific information on actions and policies of Celeo Redes Chile, related to the four areas monitored by Global Compact, see Annex A.3.

4. It should be noted that this amount is in line with the internal definitions set forth since 2018 at the Celeo Redes Group level, where we account for the kilometers of lines by section and not by circuit. Thus, we account 256 km for AJTE, 198 km for CHATE and 52 km for DATE. The difference over the figures indicated by the Electric Coordinator as of April 30th, 2019 - which includes a total of 710 kilometers of transmission lines - is obtained by accounting for sections AJTE 3 and 4 separately, a methodology we do not apply at the Celeo Redes Group. In addition, for the purposes of this Sustainability Report, 52 km of DATE have been included, as this project came into operation during the first days of January 2019, thus being included as part of our 2018 exercise.



Manuel Sanz Burgoa, CEO.

The Celeo Redes Chile culture has allowed us to consolidate a **business model based on our values** and professional capabilities. We recognize the commitment and effort of all our employees, who are the main architects of our success, and at the same time, we require them to maintain this good performance in order to achieve our future goals.

In operational terms, year 2018 also meant a significant milestone for the **Diego de Almagro project, since the facilities were powered up to first stage in August**. This success was added to the commissioning of the second stage of the project during the first days of January, almost one year ahead of the date committed to the Ministry of Energy in the Awarding Decree. This accounts for an excellent job of our Projects and Maintenance teams in coordination with our EPC-ist, Elecnor.

Similarly, it is worth noting our excellent results in terms of **availability indexes during 2018**, where we achieved 100% availability in the Alto Jahuel Second Circuit, Charúa and Diego de Almagro projects and 99.99% in the Alto Jahuel First Circuit, which speaks for itself in terms of the commendable work of our partners at Operation and Maintenance.

Despite our efforts, this year we suffered the first accident in our history, which consisted of an injury to a finger of one of our colleagues in the Maintenance Area. This event prevented us from achieving our zero accidents objective, but it has led us to reinforce our commitment for the safety of our collaborators and all people interacting with our facilities even more, since safety is the most significant pillar for our Sustainability Policy. In 2018, we

organized the Sixth Annual Workshop on Risk Prevention of the Association of Electric Companies, where the best practices of the industry were shared, fostering the exchange of knowledge and learning among those responsible for prevention in the main energy companies in the country.

Today, our priority is to continue growing in a planned and sustainable manner, providing a safe, reliable and efficient service which allows us to be recognized as a company committed to excellence, with a strong environmental and social culture and in which values such as transparency, commitment, effort and perseverance are identifiable in all our workers.

Through this report, I invite you to learn about the details and milestones which marked our agenda during 2018, as well as the challenges we are proposed to face in order to consolidate our presence in the domestic energy sector.

MANUEL SANZ BURGOA
CEO

1.5.About this report

Our report was prepared pursuant to the guidelines developed by the Global Reporting Initiative (GRI) in its most recent version of the Guide for the Preparation of Sustainability Reports. This methodology provides guidelines which enable a comparative performance review of organizations in the sustainability field and places special emphasis on the Materiality Process.

This process defines a set of activities for the identification of relevant environmental, economic and social issues, both for our business activity and for our stakeholders. The report accounts about the handling of these issues and provides qualitative and quantitative information on their conduction.

This is our third Sustainability Report and the information contained herein covers the entirety of our operations in Chile, including information regarding our facilities: the substations, our transmission lines, the maintenance base in the Maule area and the central office in Santiago.

The contents of this report reflect the relevant issues for our company and interest groups during the period between January 1st and December 31th of year 2018. On the other hand, the information reported complies with the requirements of the GRI **Essential** Compliance items and based on the principles of accuracy, balance, clarity, comparability, reliability and punctuality.

Regarding what was reported in previous years, *re-expressions*⁵ were made on this occasion around how to measure the data linked to carbon footprint, since certain deviations were corrected when including some items in a different fashion to those included in the 2017

⁵ Re-expressions correspond to differences in the manner of reporting information, considering modifications with regards to previous reports and which in this case were limited to the measurement methods, as indicated in the New GRI Standards Guide.

Sustainability Report. Also, measurement of gases was added this year, adding to scopes 1, 2 and 3 and the reported quantities were also corrected in relation to electricity consumption (kW/h) in 2017, since when reviewing the published result, an error was corrected in the calculation made in the previous period.

For this reporting process, we coordinated with Celeo Redes Brazil in order to identify common points which allow us to convey our corporate vision in an aligned fashion, without restricting the communication of the specifics of each business. As a result, both companies reported under the GRI methodology this year, taking the New Standards as reference and developing the materiality matrix under comparable variables. In addition, the chapters of both reports are prepared in a tuned manner, considering a common structure in terms of chapters and general contents.

Under these considerations, the materiality process 2018 comprised three specific stages:

- Identification of material topics.
- Priority of material topics.
- Validation of material topics.

In order to identify the topics leading our work, we reviewed internal documents of our company, such as reports from the Integrated Quality, Environment and Health and Safety Management System (CMASS SIG), Risk Management Model, requirements for performance in sustainability from our shareholders, results of the GRESB assessment, among others. Similarly, we also consider the SIPP report issued by Red Pacto Global Chile as an input for the materiality definition, which indicates some indexes which were also included when defining critical issues.

Along with the above, we analyzed the national domestic regulatory framework for the energy sector, and conducted an internal consultation with the first line of managers.

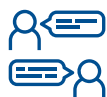
With this, we were able to characterize the sustainability context of our company, and we obtained an exhaustive list of sustainability aspects which marked our activity and are shown in the following table:

LONG LIST OF MATERIAL TOPICS 2018		
Environment (Environmental)	Social	Governance (Governance)
Air pollution	Child labor	Composition of the Board
Biodiversity and habitat	Community development	Bribery and corruption
Pollution	Relations with the community / stakeholders	Audit committee structure / Independence
Energy	Customer Satisfaction	Structure of committee compensation
Carbon emissions	Discrimination	Compensation for executives
Resilience to catastrophe	Commitment from collaborators	Lobby activities
Resilience to climate change	Forced labor	Fraud
Water	Freedom of association	Fiduciary duty
Waste	Gender and diversity	Independent directors
Noise	Health and safety (of collaborators, clients, community, supply chain)	Data protection and privacy
Resource efficiency	Working standards and conditions	Equivalence between shares and votes
Water pollution	Partnerships with communities and ventures	Political contributions
Light pollution		Whistleblower protection channel

1.5.1. SURVEY PROCESS

The topics identified were used to conduct surveying of our stakeholders, a process which included 77 people, increasing the number by 32% over the total number of participants in 2017.

Our 2018 survey process included:



• 7 face-to-face interviews with workers.



• Survey of workers, with a total of 49 responses.



• Survey of suppliers, with a total of 6 responses.



• Analysis of customer satisfaction surveys.



• Interviews with other interest groups (authorities, NGOs, community, among others)

1.5.2. PRIORITY OF MATERIAL TOPICS

Topics raised by each tool were analyzed looking for common concerns to all groups of interest and identifying the priority with which these topics appeared. In the case of having more than one tool for the same interest group, the priorities were averaged. Given that we do not have a mapping of interest groups at the company level providing distinctive weights to each stakeholder, there are no differentiated proportions with respect to the information provided by each related public.

This information was compared with the topics raised in the documentary review and interviews with the managerial staff, thus identifying the topics critical both for the company and for the stakeholders, and setting a global priority.

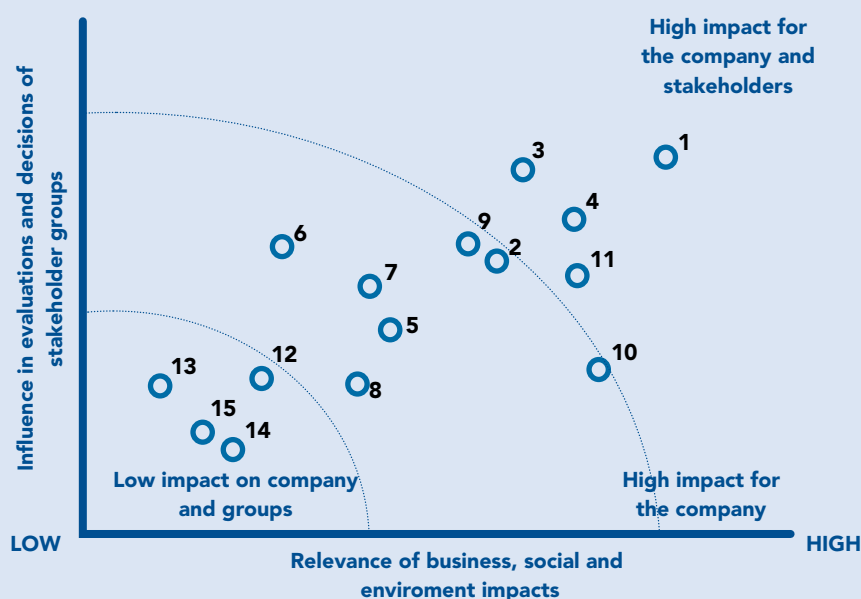
Pursuant to the list of topics submitted, it was requested to prioritize the 10 most relevant, this evaluation then classified as follows:

- Topics with priority 1, 2 and 3 were reclassified as **very relevant**.
- Topics identified as 4, 5, 6 and 7 were **moderately relevant**.
- Topics identified with assessments 8, 9 and 10 were reclassified as **low or null relevance**.

TOPICS TO PRIORITIZE		
1) Health and safety of workers	6) People management	11) Transparency and ethical management
2) Human Rights	7) Community development	12) External Certifications and Measurements
3) Projects in operation and under construction	8) Protection of biodiversity and habitats	13) Business performance
4) New investments	9) Efficiency in the use of resources and waste management	14) Innovation, research and development
5) Service quality	10) Supplier management	15) Contribution to local economies

1.5.3. VALIDATION OF MATERIAL TOPICS

The list of prioritized topics was validated by the Quality, Environment and Health and Safety units, by the Business Development and Regulatory Affairs Division and by the CEO. The result of this exercise is shown in the following graph. The position of the topics in this matrix was defined based on a quantitative assessment representing the importance of each topic for the company and stakeholders.



- | | |
|---|---|
| 1 Health and Safety of employees | 9 Transparency and ethical management |
| 2 Projects in progress and under construction | 10 Certifications and external measurements |
| 3 New investments | 11 Business Performance |
| 4 Service Quality | 12 Human Rights |
| 5 People Management | 13 Suppliers Management |
| 6 Community Development | 14 Innovation, research and development |
| 7 Protection of Biodiversity and Natural Habits | 15 Contribution to local economies |
| 8 Eco-efficiency and waste management | |

Issues found in the first level of the matrix are those of great relevance, both for the company and interest groups, which appeared consistently in both the survey process and document review. These topics were: **Health and safety of workers, New investments, Service quality, and Business performance.**

Topics of medium relevance for both Celeo Networks and its stakeholders are found in the second level, among which we find: **Transparency and ethical management, Projects in operation and under construction, Certifications and external measurements, Community development, Protection of biodiversity and habitats, People management, and Efficiency in the use of resources and waste management.**

Finally, in the third level, there are the issues of less relevance and impact, which are managed through a monitoring approach ensuring compliance with the relevant regulations, but where there was no focus during 2018. These topics are: **Human Rights, Supplier Management, Contribution to local economies, and Innovation, research and development.**

CELEO REDES MATERIAL TOPICS 2018

NEW INVESTMENTS

Relates to the awarding of the 2 new projects: Mataquito – Hualqui (MATE) and Nueva Alto Melipilla – Agua Santa (CASTE).

PROTECTION OF BIODIVERSITY AND HABITATS

Includes activities linked to biodiversity, description of protected areas and their reforestation processes and the flora and fauna monitoring programs.

EXTERNAL CERTIFICATIONS AND MEASUREMENTS

Refers to the granting of certification, in terms of quality (ISO 9001), Environment (ISO 14001) and Health and Safety (OHSAS 180001). Also includes the implementation of the GIS and the procedures carried out which are linked to the GRESB assessment.

HEALTH AND SAFETY OF WORKERS

Includes accident rates and the various initiatives related to the prevention of accidents in the work teams.

SERVICE QUALITY

Includes operational continuity and service availability, in addition to activities developed in order to ensure the reliability of the transmission and the delivery of a quality service.

EFFICIENCY IN THE USE OF RESOURCES AND WASTE MANAGEMENT

It also involves efforts made to measure and mitigate environmental impacts such as energy, water, emissions, waste and effluent management. This also includes recycling programs, reuse of materials and circular economy.

BUSINESS PERFORMANCE

Corresponds to the business results of the company.

HUMAN RIGHTS

Corresponds to the fashion in which the company ensures the respect of all those connected to the organization and the non-discrimination of people.

PEOPLE MANAGEMENT

Includes training and skill-building activities, talent attraction and retention, work environment management, performance evaluation, and reconciliation of work and family / personal life.

SUPPLIER MANAGEMENT

Refers to the link with contractors and suppliers, including payment for services and continuous evaluation under a strategic partners vision generating actions of shared value.

INNOVATION, RESEARCH AND DEVELOPMENT

Through innovation, the company is adding new technologies, modifying procedures based on best practices, and developing research and studies to generate more efficient processes.

PROJECTS IN OPERATION AND UNDER CONSTRUCTION

Includes actions carried out in AJTE, CHATE and progress in the construction of DATE. Eg: new Atacama maintenance base, etc.

COMMUNITY DEVELOPMENT

Relates to the bond and contribution to the local community, the promotion of local development in the Communities around the operation and the mitigation of impacts towards the Community.

TRANSPARENCY AND ETHICAL MANAGEMENT

Includes actions related to the ethical management of the company, including internal documents, guidelines and activities developed to prevent illicit behavior.

CONTRIBUTION TO LOCAL ECONOMIES

Refers to the contribution the company can indirectly make to the local economy, either by the generation of new businesses resulting from the operation, by the revitalization of the local economy, new businesses, etc.

Based on this distribution, topics identified as of low or null relevance are not further developed in this Sustainability Report and do not have any related Management Approaches.

1.5.4. SUSTAINABLE DEVELOPMENT OBJECTIVES

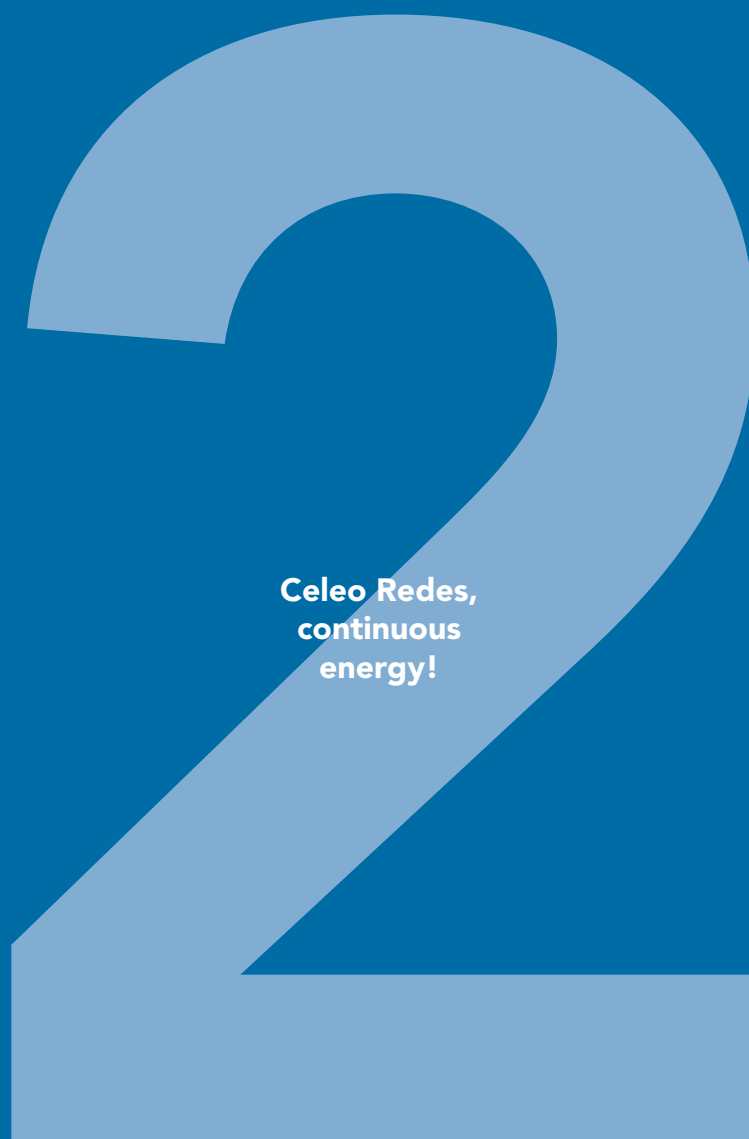
Chile, as part of the member countries of the United Nations (UN), adopted the 2030 Agenda for Sustainable Development in September 2015, which consists of an action plan focused on people, the planet and prosperity seeking to strengthen universal peace within a broader concept of freedom. The 17 Sustainable Development Objectives (SDGs) and their 169 goals demonstrate the degree of ambition of the universal agenda subscribed by the countries. These objectives will only be achievable through the joint work of States, companies and citizens.

In line with the work we wish to fulfill regarding our environment, we have joined this challenge through programs contributing to achieve these important objectives. Due to the above, the corresponding references are shown throughout this Report when an initiative of our company contributes to one or more ODS, identifying them with a characteristic icon.

As a summary, the objectives to which we contribute most directly are the following, although the most precise contribution in each case is detailed in the following chapters, also including other objectives:

- 3 Health and well-being
- 7 Affordable and non-polluting energy
- 8 Dignified work and economic growth
- 9 Industry, innovation and infrastructure
- 13 Actions for climate
- 15 Life of terrestrial ecosystems





**Celeo Redes,
continuous
energy!**

2.1 Our corporate profile

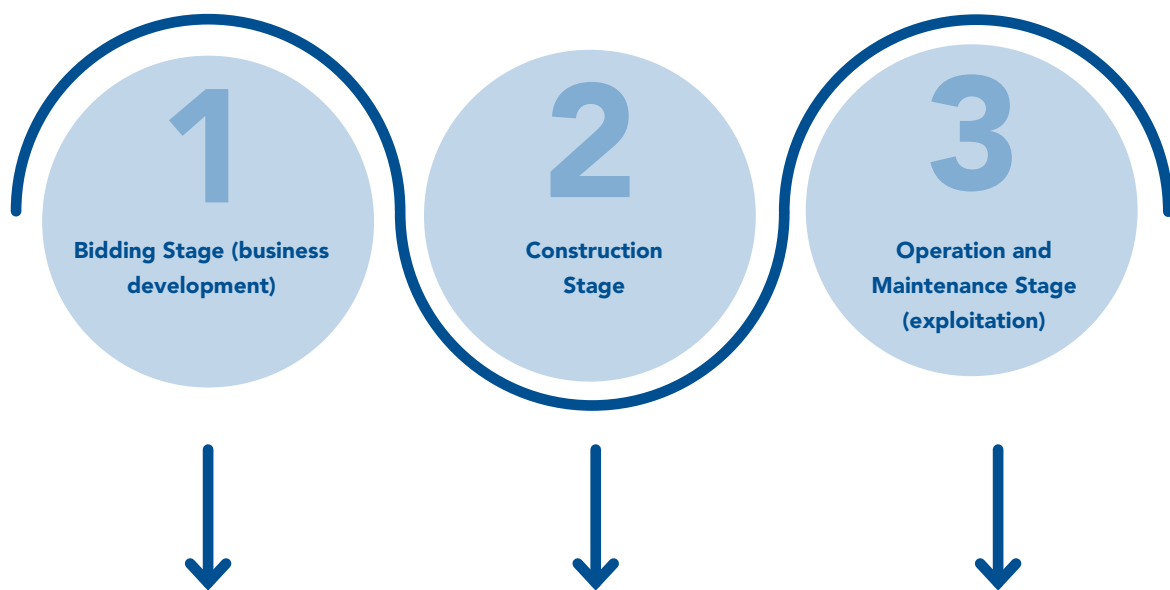
At Celeo Redes Chile we seek to contribute to the economic and technological progress, social welfare and sustainable development, through investments in safe, reliable and efficient energy infrastructures.

We provide services related to the development, construction, maintenance and management of power transmission systems and electrical installations in the country.

These activities result in the transportation of electricity to various areas of the country, whose tariff system is regulated by the General Law of Electric Services.

In order to provide these services, our efforts are split into three stages: **Bidding** (business development), **Construction and Operation and Maintenance** (exploitation) of our assets:





This is where we prepare proposals for projects tendered by the National Electric Coordinator pursuant to the needs identified by the National Energy Commission and the Ministry of Energy in the planning process for the transmission network.

In our proposals, we conduct cost evaluation, technical, environmental and social analyses of the land where the project will be developed and potential returns.

Here, the financing strategy defined in the previous stage is implemented and the contracts are materialized based on the considerations estimated in the bidding process.

A new corporation with a specific purpose is incorporated for the awarded project.

With a detailed review of the construction plan, we proceed to select the suppliers with whom we will work in each stage.

Finally, Elecnor Chile S.A. takes over the construction of the project under the modality commonly known as *turnkey*.

When energization tests are successfully completed, the business operation of the project can begin, a process which includes periodic maintenance in order to ensure the operational continuity required by current regulations and the authorities of the sector.



At present, our portfolio of assets in operation is made up of three electric transmission lines located in the north and center-south of the country:

- 1** 2x500 kV Transmission line Ancoa - Alto Jahuel ("AJTE")
- 2** 2x500 kV Transmission line Charrúa - Ancoa ("CHATE")
- 3** 2x220 kV Transmission line Illapa - Cumbre ("DATE")

Having our own maintenance team is a differentiating element of our value offer. Due to the above, we have a maintenance base in the city of Talca, from which all activities related to the AJTE and CHATE lines are planned, coordinated and executed.

Year 2019 includes the enabling of a maintenance base in Diego de Almagro, since until now, we are using temporary facilities located in the substations of the project as temporary headquarters for this team.

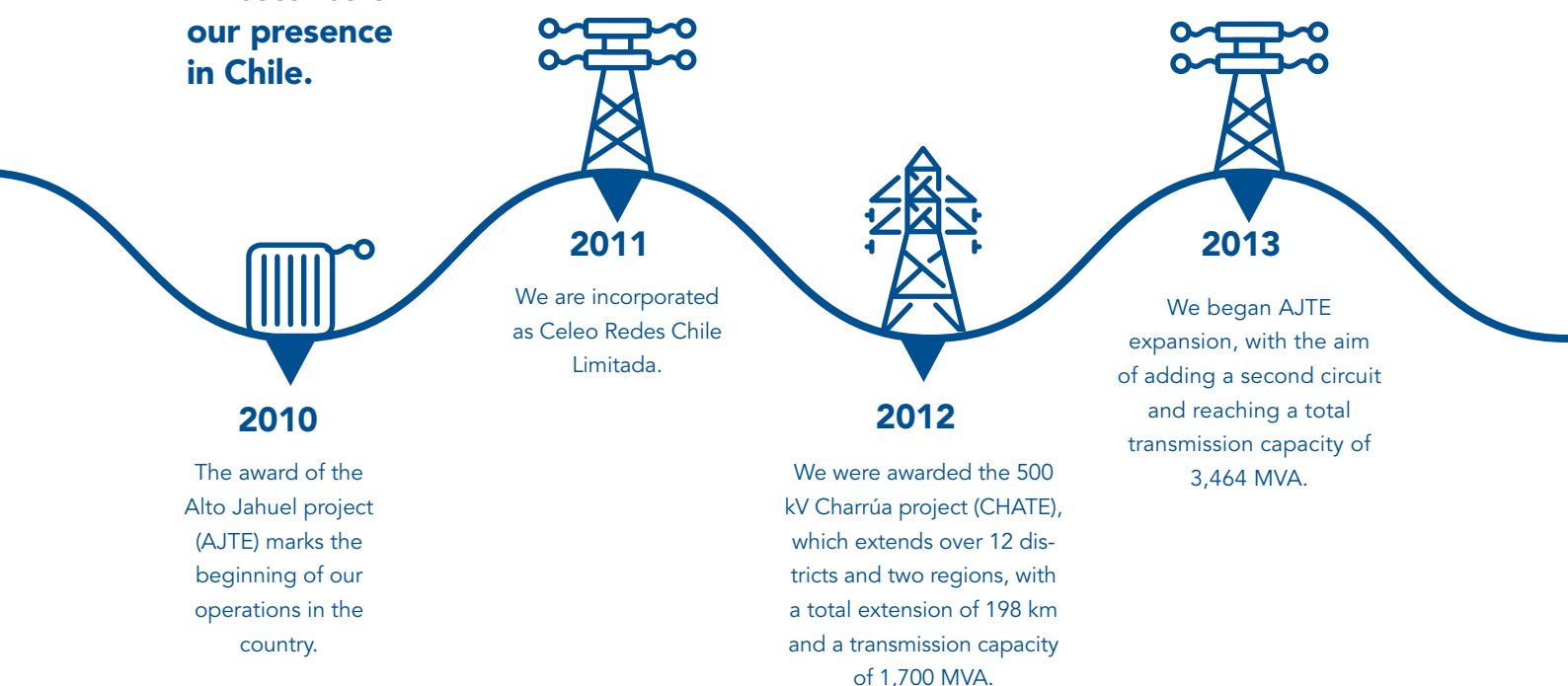
Our main office is located in Santiago, Las Condes district, in the Metropolitan Region, which is also the location of our main Control Center, an operating room equipped with state-of-the-art technology and a team of highly experienced professionals, who remotely operate the facilities and thus quickly respond to contingencies or requirements of the National Electrical Coordinator. Also, this Control Center can also provide services to third parties, remotely operating third parties' generation and transport facilities.

SUMMARY OF OUR MAIN ASSETS

506 kms of transmission lines in operation.

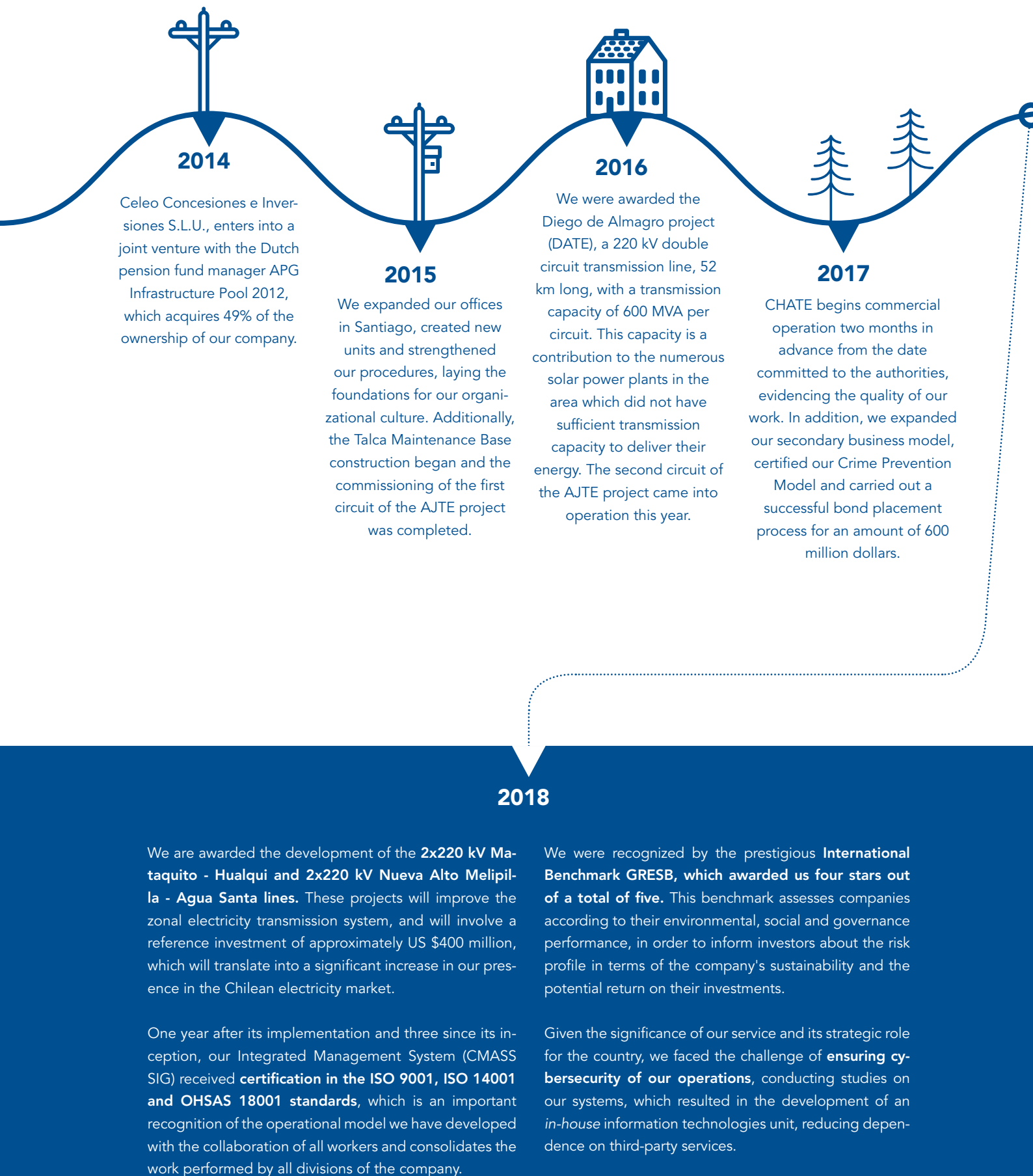
- 1** own substation, Illapa, and presence in Alto Jahuel, Ancoa, Charrúa and Cumbre.
- 2** maintenance centers with their own staff in the Regions of Maule and Atacama.
- 1** main control center in Santiago and an additional backup in the Alto Jahuel substation.


Milestones of our presence in Chile.



2.2 Our history

In 2009, given the volume of assets managed, the ELEC-NOR Group incorporated CELEO CONCESIONES E INVERSIONES (CELEO) in Spain, as the Spanish holding company in charge of the comprehensive management of the Group's concessions and investments. An orderly transfer of all transmission assets the Group had in operation in Brazil to the new company began through the company ETESA. From its beginnings and according to its mandate, CELEO implements comprehensive management in business development as a warranty of its continuity, with a responsible, transparent and sustainable approach over time.





"In a short time we have become a relevant player in the sector. Today, the market looks at us differently, recognizing our capabilities. Undoubtedly, being a young company continues to help us, because we have a motivated and optimized team, which allows us to respond with agility, efficiently manage our assets and develop competitive offers. "

CBDO





2.3. Our operation

MATERIAL TOPIC: SERVICE QUALITY	How do we manage it? On a declarative level, we have added Quality as one of the pillars of our Sustainability Policy. To effectively manage this issue, we have high technology systems permanently monitoring service quality. This allows us to instantaneously detect gaps and thereby take appropriate measures if necessary. Our work plan includes preventive activities and regular pedestrian inspections which allow us to prevent risks impacting the quality and continuity of the service we provide. We also have a continuous improvement process in which we have been integrating - through our CMASS SIG management system - the process learning and previous years.
Why is it relevant? The quality of the service we provide is measured according to the operational continuity (availability) of our facilities. In addition to being an indicator of our work, service quality is key to evaluate the effectiveness of our operations and provide a diagnosis of the execution of our business plan. For all our stakeholders, we seek to demonstrate our technical skills and professionalism through an execution which ensures continuous operational availability to our customers.	
Whom is it important to? Shareholders, Authorities, Clients, Public Opinion, Workers and the End User.	

**MATERIAL TOPIC:
PROJECTS IN
OPERATION AND
UNDER CONSTRUCTION**

Why is it relevant?

The development of new projects is a key aspect in the long-term root of our business, both in Chile and in the region. Our shareholders have provided us with the support and tools to have a relevant role in the domestic market, in which we seek to consolidate from solid technical experience and agile business management. In 2018, this topic was marked by operational continuity in AJTE, CHATE's first full year of operation, the completion of the construction and commissioning of the DATE project.

Whom is it important to?

Shareholders, Clients, Authorities.

How do we manage it?

The team of professionals at Celeo Redes has the technical and professional skills required to efficiently conduct the construction, operation and maintenance tasks of our assets. Thanks to our organizational culture, knowledge management within teams eases learning and fosters vocation towards the continuous improvement of processes, systematizing these lessons through our Integrated Management System (CMASS SIG). Adding to the above, one of our great competitive advantages is to have our own team of maintenance professionals, which adds to and supports the work conducted in the construction and operation stages.

Year 2018 was marked by the impeccable operation of our operations achieving 100% availability in the AJTE Second Circuit, CHATE (marking its first year of operation) and DATE first stage and 99.99% in the AJTE First Circuit. Similarly, construction works were finalized at DATE, completed almost one year in advance of the deadlines set by the authorities.⁶ This schedule filled us with pride, because we closed the year with our projects operating with excellence, giving clear signals to the market and our stakeholders that we have the capabilities to continue

⁶ The energization of the DATE second stage was carried out in mid-January 2019, the project being fully operational at the close of the issue of this Report.

contributing to the development of the country.

In this same period, we awarded two important projects which will allow us to continue connecting Chile with a reliable and continuous power service:

- 2x220 kV Mataquito - Hualqui line ("MATE")
- 2x220 kV Nueva Alto Melipilla – Agua Santa line ("CASTE")

The construction and operation of these two new projects will lead us to have more than 1,000 kilometers in lines, making us an important transmitter nationwide. This award comprises 14 individual projects, which must be executed in three stages, the first of three years, the second of four and the third of five.

Reaching this level in just four years from energization of our first project fills us with pride and encourages us to share the lessons learned with the sector. Our goal is to continue growing by consolidating our work team and organizational culture.



We contribute to this ODS from the generation of job opportunities and the development of specific skills in a sector that is currently expanding. These skills are not only desirable and useful for our company, as they are transferable and applicable in the domestic market. We also contribute to this ODS by the development and execution of new projects, maintaining economic growth country wise and facilitating the availability of energy.



We contribute to this ODS by consolidating our presence in the domestic market, which contributes to the development of the country, facilitating the availability of energy for the development of various economic activities. It is also worth noting that the generation and transmission of energy are among the axes of development of the State of Chile, as indicated in the National Energy Policy, Energy 2050.

PROFILE OF CELEO REDES CHILE IN 2018

Total collaborators:

64

Total revenue

MUS \$51,648

Total capitalization

Debt: MUS \$566,450

Capital: MUS \$1,000

Total customers

(From Control Center)

3

From North to South along Chile



2.3.1. ACTION MAP

2x500 kV Transmission line Ancoa - Alto Jahuel ("AJTE")

Región	District	Total inhabitants
Región del Maule	Colbún	18,614
	San Clemente	39,144
	Pelarco	8,919
	Río Claro	13,020
	Molina	42,859
	Curicó	142,710
	Romeral	14,612
	Teno	27,966
Región del Libertador General Bernardo O'Higgins	Chimbarongo	34,969
	San Fernando	73,994
	Malloa	13,808
	Rengo	61,683
	Requínoa	26,235
	Machalí	35,942
	Codegua	12,725
	Mostazal	27,084
Región Metropolitana	Paine	66,512
	Buín	74,232
Total		732,752

2x500 kV Transmission line Charrúa - Ancoa (CHATE)

Región	District	Total inhabitants
Región del Biobío	Cabrero	30,793
Región de Ñuble	Chillán Viejo	15,540
	El Carmen	11,425
	Pemuco	9,141
	Pinto	11,168
	Coihueco	24,864
	San Carlos	51,401
	Ñiquén	9,598
Región del Maule	Parral	37,632
	Longaví	28,778
	Linares	91,555
	Colbún	18,614
Total		340,508

2x220 kV Transmission line Illapa - Cumbre (DATE)

Región	District	Total inhabitants
Región de Atacama	D. de Almagro	18,589

New Projects

MATE

2x220 kV Mataquito - Hualqui Transmission line

- We hope to begin the first construction tasks of the project in 2020.
- Includes the construction of 6 transmission sections in 66 kV and 220 kV, totaling 387 kilometers and the construction of five substations.
- Its commissioning is planned in three different stages, successively entering into operation in 2021, 2022 and 2023.

CASTE

2x220 kV Nueva Alto Melipilla – Agua Santa Transmission

- We hope to begin the first construction tasks of the project in 2019.
- Includes a 110 kV and 220 kV transmission line, in a double circuit between the Metropolitan and Valparaíso regions, with an approximate length of 111 kilometers and the construction of two new substations.
- Its commissioning is planned in two different stages, entering into operation in 2021 and 2023, respectively.



We contribute to this ODS by building the necessary infrastructure for energy transport. At present, our three operating projects and the two future transmission lines to be built during 2019 are a contribution to efficient and reliable electricity access.

2.3.2 DETAIL OF THE PROJECTS (OUR OPERATIONAL RESULTS)

Our operations during 2018 were conducted under satisfactory parameters. Both in AJTE and CHATE we conducted maintenance and monitoring activities which allowed us to anticipate situations that could compromise the continuity and quality of our service, outstanding the activities shown below.

On the other hand, the Diego de Almagro project (DATE) continued under construction phase during this period, with considerable intensity until the end of November.

Among the activities carried out in this project we find the execution of the 1x220 kV Carrera Pinto - Diego de Almagro transmission lines sections, owned by Transelec, and the 2x220 kV Cardones - Diego de Almagro transmission line, property of Eletrans, along with the energization of the Illapa substation.

Main activities

- Pedestrian Visual Inspection of all high voltage towers located between the Metropolitan, O'Higgins, Maule, Ñuble and Biobío regions.
- Disconnections for preventive and corrective maintenance.
- Forest and vegetation management activities, in the surroundings of our facilities.
- Repair of access roads to our high voltage towers.
- Investment in equipment to ease inspections.
- Preventive maintenance to substation equipment.
- Thermography inspections of high voltage equipment.
- Enabling safety signage in substations.
- Internal training for personnel in various units of the company.
- Laboratory set up for Protection, Control and Communications equipment.
- Design and commissioning of new technologies, required by the authority to ensure compliance with the technical standards.
- Coordination and supervision of cleaning initiatives with the line energized.
- Review of switching equipment operation schemes in substations.
- Supervision protections replacement at Illapa substation.

In parallel to construction activities, the Maule Maintenance Unit provided valuable support to the newly formed maintenance team of the Atacama Zone. With the aim of spreading the Celeo Redes culture, the Maule team shared their experience and collaborated with field inspection activities, construction activities control, general team work organization and energization tests prior to connection to the National Grid System .

The successful planning of this project enabled the closing of the project first stage in August with the energization of the Illapa substation, commissioning the entire project in January 2019 with the energization of the line between the Illapa and Cumbre substations.

The results obtained in operational continuity include hours of forced disconnection, product of failures or forced process

2.3.3. OPERATIONAL CONTINUITY

Among the main reasons for service disconnection this year there are activities of separator standardization in the line, forced interruptions, changes of insulators, repairs, opening due to noise, among others.

OPERATIONAL CONTINUITY IN EN 2018 ⁷		
Instalación	2017	2018
AJTE 3	99.80%	99.99%
AJTE 4	98.61%	100%
CHATE 3	100%	100%
Overall Average	99.47%	99.99%

TOTAL HOURS OF SERVICE FAILURE		
Facility	2017	2018
AJTE 3	17.63	0.58
AJTE 4	121.98	0
CHATE 3	0	0

⁷ Only includes forced events, pursuant to current regulations.

Given the growing possibility of occurrence of events impacting our operational continuity and which result from climate change, we have developed a set of initiatives aimed at generating greater **resilience to this type of catastrophe**. Among them we find the following:

Setting of contingency plans in the event of catastrophes

The Operation and Maintenance unit defined the preparation of a set of contingency plans for various situations and / or catastrophes which may arise within the operation. Among these plans there are events such as: rain and snow weather, acts of vandalism, robbery and / or terrorism, fire near or below the transmission line, earthquakes, floods and / or landslides.

Implementation of emergency kits against landslides in Illapa and Cumbre substations

The Illapa and Cumbre substations are located in the Diego de Almagro area, in the Atacama Region, a location which was affected by a flood in 2015. Due to this reason, emergency preparedness and response plans for these two substations include evacuation routes to safe areas in the event of floods, clothing kit, food and water for isolation situations due to road unavailability.

Added to the above, we also have other elements contributing to preparation in the face of possible catastrophes tied to climate change, which, in the case of Chile, are part of the current regulations required for our type of construction.



Fluvial defenses in structures

Corresponds to the building of protective works aiming to provide further stability to the towers in the face of events of maximum river floods. These control measures are reported to the community by publications in the official newspaper, radios and local newspapers.

These defenses are installed at the AJTE and CHATE projects, specifically in the structures in the Tinguiririca and Lontué rivers and in the Longaví river, respectively. At the Diego de Almagro project (DATE), there is a fluvial defense in the bed of the "La Angostura" stream. These defenses are condition checked and verified by maintenance teams when they conduct pedestrian visual inspections.



Anti-seismic systems

From a regulatory point of view, it is a requirement to include seismic quality in the design of facilities, applying the Endesa specification ETG-1020 or IEEE 693-2015.s eléctricas es particularmente importante para nosotros.



In order to ensure the satisfaction of our customers, for the first time this year we conducted a survey on the services provided by the remote operation of facilities from our Control Center, where we have three clients: First Solar, TransChile and Santiago Solar. The survey inquired into the general satisfaction with the service received, the management perception of the contract, the quality of the information provided to the client, the billing and payment process, and the opportunities for improving the service.

From the results obtained, the degree of customer satisfaction in the 5 aspects considered by the survey were the following: "Opportunities for Improvement" (75%), "Contract Management" (83%), "Level of Information Provided to the Client" (92%), "General Service Satisfaction" (92%) and "Billing and Payment" (100%). Given that "Contract Management" was among the lowest scores, we defined a plan for periodic meetings with our clients, with the goal of timely detecting deviations and making the necessary adjustments.



The quality of the service we provide is a contribution to this ODS. The commitment with which we serve our clients has been the best scored attribute. At the same time, the professionalism with which we have responded to the authorities accounts for a responsible productive activity, under commitment to maintain the current electricity infrastructure in operational status and available for our country.

2.4. Sustainability strategy

During 2018, we worked intensively with our main interest groups, in order to identify their expectations and include them in the definition of a sustainability strategy for the Group. We also held work meetings in Santiago with our colleagues from Brazil and Spain in order to determine a common strategy ensuring our growth in balance with business aspects, care for the environment and social welfare. To define our strategy, we took the best practices of the market into account, as included in the United Nations Global Compact and in the sustainability benchmark platform, GRESB, as well as the requirements of the ISO and OHSAS international standards.



The Celeo Networks Sustainability Strategy proposes 5 management pillars: Quality, Work Health and Safety, the Environment, Social Management and Governance.

2.4.1. POLICY

The first document published under the definition of this new strategy was the company's Sustainability Policy, a document setting forth action principles for each of the 5 pillars of action. The Policy was published in two formats: as a poster, posted in all the work centers of the company and as a "pocket book", a copy provided to each employee also including suppliers, communities, shareholders and each contractor worker conducting work on behalf of Celeo Redes Chile.

Along with the Policy, we posted a procedure to regulate and set forth the relationship with our stakeholders (Management with Stakeholders), a document which identifies people, groups and organizations that could affect or be affected by the activities of Celeo Redes Chile. The above generates planning around management in the face of our stakeholders and considers the identification of their needs, expectations and risks, impact on the projects, communication channels, development of strategies and determination of good practices.

This strategic planning is replicated in the operations held by Celeo Redes in Brazil.

Our Sustainability Policy is tuned to the Mission, Vision and Values of the Celeo Redes Group, considering the sustainable development of our activities, operational excellence, governance and socio-environmental commitment to our surroundings⁸.

8. For more information about our Mission, Vision and Values, see section 3.3 of this Sustainability Report.

2.4.2. STRATEGIC GUIDELINES

For the coming years, we have considered the following specific challenges:

1

Holding operational excellence and service continuity standards provided, seeking that AJTE, CHATE and DATE set precedents for our new projects and meet the demands committed to the Authorities, as well as the quality levels which characterize us.

2

Consolidating the People Management unit, in order to provide better and greater support to the professional development needs of our workers.

3

Consolidating the Information Technology (IT) unit by defining an annual work plan enabling us to increase data security protocols on our operations, thus reducing the emergence of cyber risks.

4

Making progress in the development of new awarded projects, obtaining the necessary permits for construction and obtaining the financial resources enabling its proper conduction.

5

Renewing the certification of our compliance model, in order to have a compliance and crime prevention system updated to the new standards in the matter.

6

Consolidating our Management Model with Stakeholders, a procedure developed and implemented by the end of 2018 and which in 2019 we will seek to transform into an effective management tool and strengthen links with each stakeholder, always observing respect and protection of fundamental Human Rights as a framework for all public groups involved in our operation.

2.4.3. RISK MANAGEMENT AND OPPORTUNITIES

Risk and Opportunities related management is part of our Integrated Quality, Environment and Health and Safety Management System (CMASS SIG) and is set forth in the Risk and Opportunity Management general procedure. This document sets the risks classifications, their identification, revision, assessment, treatment and communication. Risk management varies depending on its classification and level of impact. Thus, "Global Business Risks" are assessed once a year by the managerial team, an instance in which each one presents the status of the controls implemented in their corresponding units. At the same time, "Processes Risks" relate to all those in which Quality, the Environment, Work Health and Safety, Governance or the Social Aspect may be affected. This management results in risk matrices, which are dynamic and are constantly reviewed and updated.

We have consolidated this model during 2018 and the "risk" concept has been adopted by the units. Proof of the above are the trials destined for risk identification, analysis and impact evaluation each company unit made regarding its processes, the reports on findings related to management improvements or deviations to the defined internal protocols.

2.4.4. DEFINITION AND CLASSIFICATION OF INTEREST GROUPS

Reaching our strategic objectives not only depends on the level of quality with which we perform our operations, but is also linked to the relationship with our stakeholders. To this end, we have prepared and implemented a **Stakeholders Management Program**, which includes the steps required to identify the entities, groups and organizations that could affect or be affected by our activities.

The methodology applied to our program consists of 5 stages, which provide us with tools to start and hold constructive relationships with time. These stages are: Identification, Mapping, Planning, Monitoring and Analysis and Evaluation. The definition of our program was based on the AA1000 standard which, similarly to our CMASS SIG, adopts the traditional approach of the PDCA method (Plan, Do, Verify and Act) in order to develop our commitment.

This exercise seeks to learn about the concerns, interests and expectations of our stakeholders, in order to define a technical and culturally appropriate approach for consultation and dissemination of information, facilitating decision-making and creating an atmosphere of which actively involves our interest groups.





GRUPO DE INTERÉS	ACTIVIDADES DE RELACIONAMIENTO
Shareholders	<ul style="list-style-type: none"> • Materiality survey. • Sustainability Report Publication.
Associations	<ul style="list-style-type: none"> • Involvement in the materiality process. • Submittal of the Sustainability Report. • Website.
Customers	<ul style="list-style-type: none"> • Involvement in the materiality process. • Liaison in relations with the Coordinator. • Satisfaction Survey. • Website.
Collaborators	<ul style="list-style-type: none"> • Creation of internal position contests. • Involvement in the materiality process. • Involvement and Consultation Work Climate Survey. • Training Program. • Salary in goods (supplementary insurance). • Variable salary based on objectives.
Energy Sector	<ul style="list-style-type: none"> • Involvement in work committees. • Website.
Community	<ul style="list-style-type: none"> • Submittal of the Sustainability Report. • Early Citizen Involvement (PACA). Process of voluntary citizen involvement prior to that legally required. • Involvement in the materiality process. • Website.
Contractors	<ul style="list-style-type: none"> • Invitation to participate in technical conferences of Celeo Redes. • Invitation to projects' commissioning. • Involvement in the materiality process. • Involvement in the Celeo Redes Training Plan.
Financial Entities	<ul style="list-style-type: none"> • Annual publication of Financial Report. • Involvement in the materiality process. • Website.
Suppliers	<ul style="list-style-type: none"> • Involvement in the materiality process. • Suppliers' Annual Evaluation Process. • Website.
Regulatory Authorities	<ul style="list-style-type: none"> • Involvement in the materiality process. • Invitation to projects' commissioning. • Compliance reports related to the Compendium of International Exchange Regulations. • Monthly information to the Financial Market Commission. • Website.



2.4.5. THER ASSOCIATIONS AND PARTNERSHIPS

In addition to our stakeholders, we are present in various groups of the energy sector, where ideas and experiences regarding the relationship between business management and sustainability are shared and analyzed. We are part of the following associations:

Asociación Chilena de Energías Renovables (ACERA)

This group gathers member companies in all electric generation technologies, promoting regulations which allow NCREs to compete under the same conditions as traditional sources. We have been partners since 2012 and are involved in the following committees: tender processes, national assets and regulation.

Asociación de Empresas Eléctricas A.G.

This trade association includes the main distribution and transmission companies in the country. It has a leading role in the public debate, proposing and supporting energy initiatives. It is also a part of the preparation of public policies for the sector, in collaboration with authorities and other relevant actors at the public level. We are part of this trade association since 2015 and we are involved in the following committees: technical, legal, regulatory and risk prevention.

Cámara Española de Comercio (CAMACOE)

Institution facilitating the development of business relations between Chile and Spain, promoting opportunities and networking among members. We have been partners since 2012 and we chair its Energy Committee, where the concerns of Spanish companies with interests in the energy sector are analyzed.

Consejo Internacional de Grandes Redes Eléctricas (CIGRE)

International organization promoting the exchange of technical knowledge at an international level in the field of high voltage electric power transport. We have been involved since 2015 in the Seismic Design Technical Group for high voltage electrical installations.

Red Pacto Global Chile

Pacto Global (Global Compact) is an initiative of the United Nations Organization (UN) of which we are part since 2018. It is attended by more than 10 thousand companies around the world, dedicated to examine the critical issues related to sustainability worldwide, created by the then secretary general of the United Nations, Kofi Anan in 1999. By being part of the Network in Chile, we have assumed the commitment to integrate the concept of sustainability into our corporate strategy by the implementation of 10 Principles setting forth a bridge between the business world and the United Nations.

In addition to these associations, at Celeo Redes we are governed by the following statutes, principles and other externally developed documents of a business, environmental and social nature: environmental legislation, Technical Standards, Municipal Patents and other derivatives of mandatory regulations. We also include monthly reports generated from the bonds issued in 2017, the CERC Report No. 498 to the Financial Market Commission (CMF, former SVS) and the Central Bank, the Audited Financial Statements of both our subsidiary Celeo Redes Operación Chile as well as of the remaining subsidiaries of our projects and quarterly reports generated to the CMF.

The information required by the GRESB standard, the Communication of progress report (CoP) of Red Pacto Global Chile and Standards 9001 and 14001, along with OHSAS 18001, as of the certification obtained in 2018, are added thereto.

2.5. External certifications and measurements

MATERIAL TOPIC: EXTERNAL CERTIFICATIONS AND MEASUREMENTS

Why is it relevant?

Obtaining the certification of our processes and operational standards by a third party validates the work we have been doing since we became a company. It also enables us to detect gaps and improvement opportunities to continue consolidating our business model.

Whom is it important to?

Shareholders, collaborators.

How do we manage it?

Today, our Integrated Management System (CMASS SIG) is the tool enabling us to gather all control tasks related to strategic, operational, financial and process risks of the company in a single instance, ensuring efficiency, safety and sustainability of our operations. Thanks to its successful implementation, in 2018 we obtained the ISO 9001, ISO 14001 and OHSAS 18001 certifications.

Part of our work also includes a continuous alignment with the Sustainable Development Goals (ODS), seen as an external measurement we monitor systematically.

The year 2018 will be remembered with great pride as the year in which we obtained the certification for our Integrated Management System. It is an achievement which allows us to demonstrate we operate under the highest standards of quality, environmental performance and occupational safety.

The project of our CMASS SIG began in January 2016, shortly after the start of our operations in Chile, using a methodology whereby all workers were involved in a horizontal manner, contributing with their experience and vision regarding the way in which Celeo Redes should operate. This is how, including all best practices, we began to articulate, consolidate and give life to our CMASS SIG. From its creation until today, this system has had as a priority to be a useful and horizontal tool for the proper management of the company's various risks, avoiding unnecessary bureaucracy.

The CMASS SIG defines actions, measures and controls ensuring the fulfillment of our objectives and the continuous improvement of our processes, enabling us to timely identify potential events which could negatively impact the standard performance of our operations, and, consequently, affect the fulfillment of the established objectives.

Another important milestone in 2018 was the results of the **GRESB evaluation**. GRESB is a platform assessing the sustainable performance (environmental, social and governance) of industrial sector assets internationally. Evaluations conducted by GRESB are reference data for investors, who use them to optimize the risk profile of their investments.

In 2018 GRESB assessed 904 real estate funds, 75 infrastructure funds, 280 infrastructure assets and 25 debt portfolios.



The GRESB evaluation collects information using various performance indicators and the analysis of management programs, such as those focused on the development of employees, in the relationship with suppliers and with the community. The methodology of this evaluation is compatible with the GRI methodology used in the preparation of this report, thus constituting a verifying document, given its publication on our website.

Being our first involvement in this evaluation, our environmental, social and governance performance was recognized with a total of 63 points out of 100, equivalent to four stars out of a total of five, considering that the overall average of companies evaluated obtained a total of 45 points. We welcome this good result, but also with great interest in learning from the areas of improvement indicated in the report, where it is indicated that we can continue formalizing our procedures to communicate them with greater clarity and formality within the company. In 2019 we hope to improve our performance percentile, consolidating a fully sustainable management.



Our business is a long-term project, and as such we need partnerships, certifications and external assessments to ensure we continue operating with the high standards with which we have responded to our obligations to all our stakeholders.

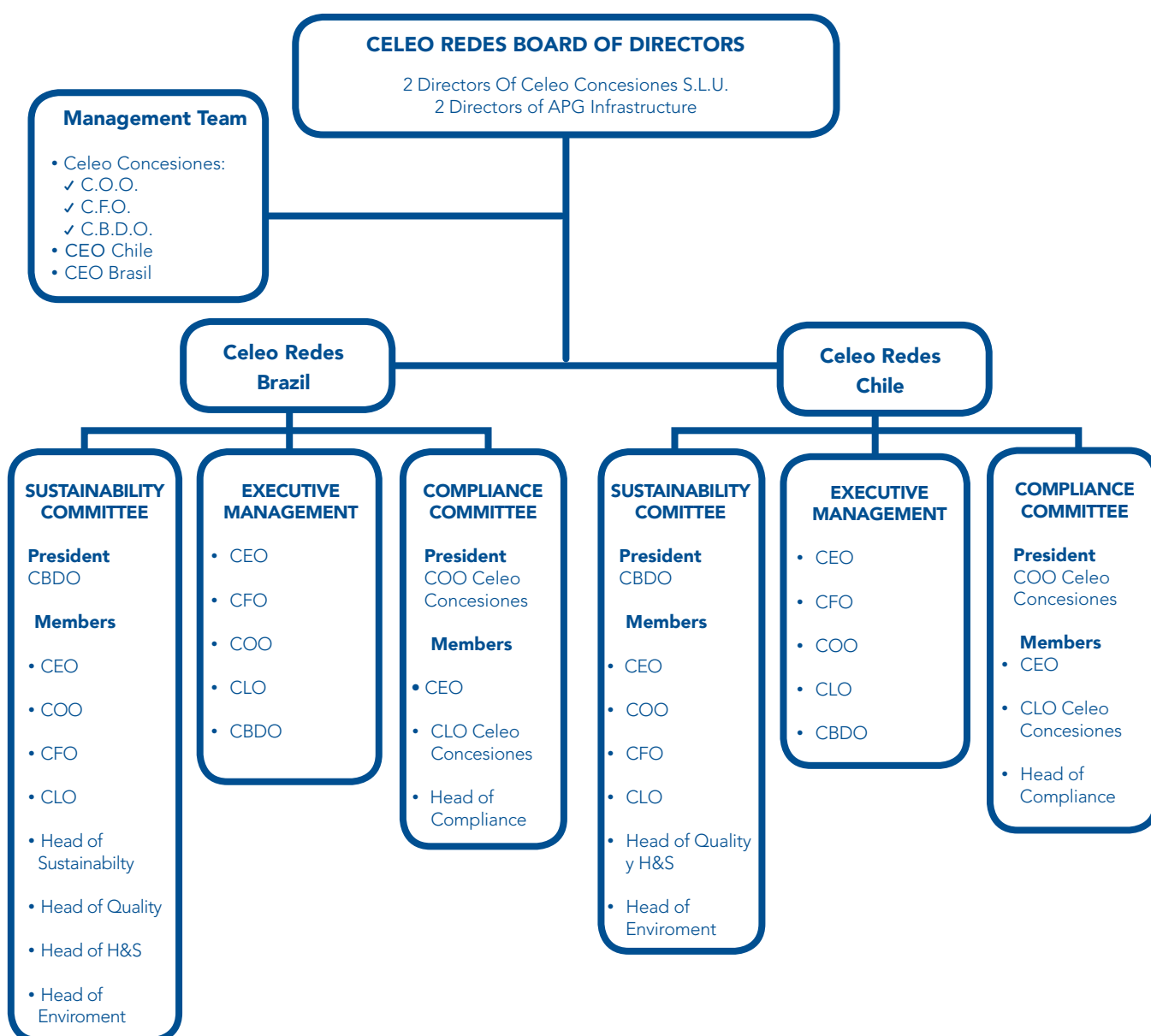






3.1 Corporate Governance

The main governing bodies of our company are the General Shareholders' Meeting and the Board of Directors of our head office in Spain.



The Ordinary General Shareholders' Meeting was held on June 29th, 2018 with full attendance, unanimously approving all resolutions therein.

BOARD OF DIRECTORS

As of December 31st, 2018, the Board of Directors consisted of four male directors, two of them representatives of **Celeo Concesiones e Inversiones S.L.U.** and two representatives of **APG Infrastructure Pool 2012**. Members of the CELEO REDES S.L. Board of Directors do not receive any remuneration, although compensation for reasonable expenses of travel and exercise of their duties is considered, which in no case suppose significant amounts.

All members of the Board of Directors have remarkable knowledge and experience in the field of sustainable investment and infrastructure, which they put in practice in the exercise of their duties.

Among the main functions of the Board of Directors we find the definition of the company's objectives and strategy, both for the long and short terms, in addition to the approval of new investments and corporate operations. During year 2018, the Board of Directors has met in an ordinary fashion on four occasions, unanimously approving all resolutions therein.

The Board of Directors has the permanent support of the Management Team, whose members provide advice and support to the Board of Directors regarding the overall strategy of the company and its subsidiaries, being responsible for the implementation of decisions from Board of Directors and the daily operation of the company and its subsidiaries.

MANAGEMENT TEAM

The Management Team comprises the Chile CEO, the Brazil General Director, in addition to three people with extensive experience in the areas of Business Development, Finance and Operations. Among the main functions of this team are the development of environmental, social, governance and compliance policies applying to the company and its subsidiaries, the preparation of objectives, and annual reporting, coordinating external audit activities in the formulation of reports. Likewise, makes periodic reports for the Board of Directors and maintains direct contact with the remaining governing bodies, Sustainability Committees, Compliance Committees and Teams of Executive Management.



BRAZIL PRESENCE

Celeo Redes S.L. is present in Latin America by the operation of Celeo Redes Chile and Celeo Redes Brazil. Brazilian operations include 15 transmission concessions, managing a 4,740 kilometers lines network and 54 related substations, thus having a significant share in the neighboring country's market.

In 2018, Celeo Redes Brazil was awarded the Group's first power generation project. It is a photovoltaic park with a 180 MW capacity, with an investment of close to USD \$ 200 million.

From Chile, we are in permanent contact with the Brazilian team, seeking to align our policies and processes, exchange experiences and share good practices, with the aim of positioning the Celeo Redes brand as an important player in the Latin American market. During the second half of 2018, the quality and sustainability reporting units in Chile and Brazil met in Santiago seeking to generate synergies and coordinate the next steps in regards to the certification process for integrated management systems, reporting sustainability 2018 and the GRESB questionnaire. With these meetings, we seek to align the reportability criteria to have a similar standard of publication for Sustainability Reports allowing to account for both the corporate profile of Celeo Redes, and the contextual specifics of each country.



The **Executive Management** of Celeo Redes Chile Limitada is led by the CEO, who summons the Administration and Finance, Business Development and Regulatory Affairs, Operations Managers and Tax Attorney. They periodically report to the Board of Directors and the Management Team, and their duty is to ensure the proper administration and management of the daily activities of Celeo Redes Chile, guiding the company towards the fulfillment of its objectives.

The Executive Management is comprised entirely of men, whose ages are between 38 and 55 years old, who have vast experience in the energy transmission sector.

The review and approval of our Sustainability Report contents is the responsibility of the Management Team, who promote the delivery of clear and transparent information to our stakeholders.



**BOARD OF
DIRECTORS**



Director of Celeo Concesiones S.L.U.



Director of Celeo Concesiones S.L.U.



Director of APG Infrastructure Pool 2012.



Director of APG Infrastructure Pool 2012.

**EXECUTIVE
MANAGEMENT OF
CELEO REDES CHILE**



**Chief Executive
Officer (CEO)**



**Chief Financial
Officer (CFO)**



**Chief Operating
Officer (COO)**



**Chief Business
Development Officer
(CBDO)**



**Chief Legal
Officer (CLO)**

SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises seven members, including the people making up Executive Management and those responsible for the Sustainability, Quality, Environment, and Health and Safety units.

The main duties of the Committee reside in the local development of sustainable principles of action on the grid, adding these principles to the Company's Sustainability Policy and overseeing its proper application.

It is important to note that holding the certification of our Quality, Environment and Occupational Health and Safety Management System is one of its tasks, as it is the highest collegiate body for approval of procedures and action plans for the development of these matters. This activity is of utmost importance for our company, given that the Management System is a management tool ensuring compliance with actions related to these topics.

Likewise, it is the responsibility of the Sustainability Committee to maintain a relationship program with Stakeholders, defining and activating specific plans for such purpose. In this context, it is also this Committee which annually reports the activities of our company in terms of sustainability using the GRESB platform, the annual sustainability report and quarterly sustainability reports, which are submitted to the Committee and the Management Team.

On the other hand, the Sustainability Committee also ensures compliance with the commitments adopted in regards to the Global Compact, proposing changes, improvements and amendments to the plans resulting from the Sustainability Policy, if necessary. It is also responsible for implementing activities in our company which relate to our sustainability strategy, supervising its proper dissemination among all our employees and adopting corrective measures, if necessary.

In year 2018, the Sustainability Committees of Brazil and Chile have resumed the activities the organization had been carrying out in terms of quality, safety and environment and have included the new aforementioned functions.

COMPLIANCE COMMITTEE

As of December 31st, the Compliance Committee consisted of four people. Internal audits and follow-up of the current certification of Chile's compliance system were conducted during fiscal year 2018, under the supervision of the Head of Compliance, detecting a series of improvements which will be implemented during 2019.

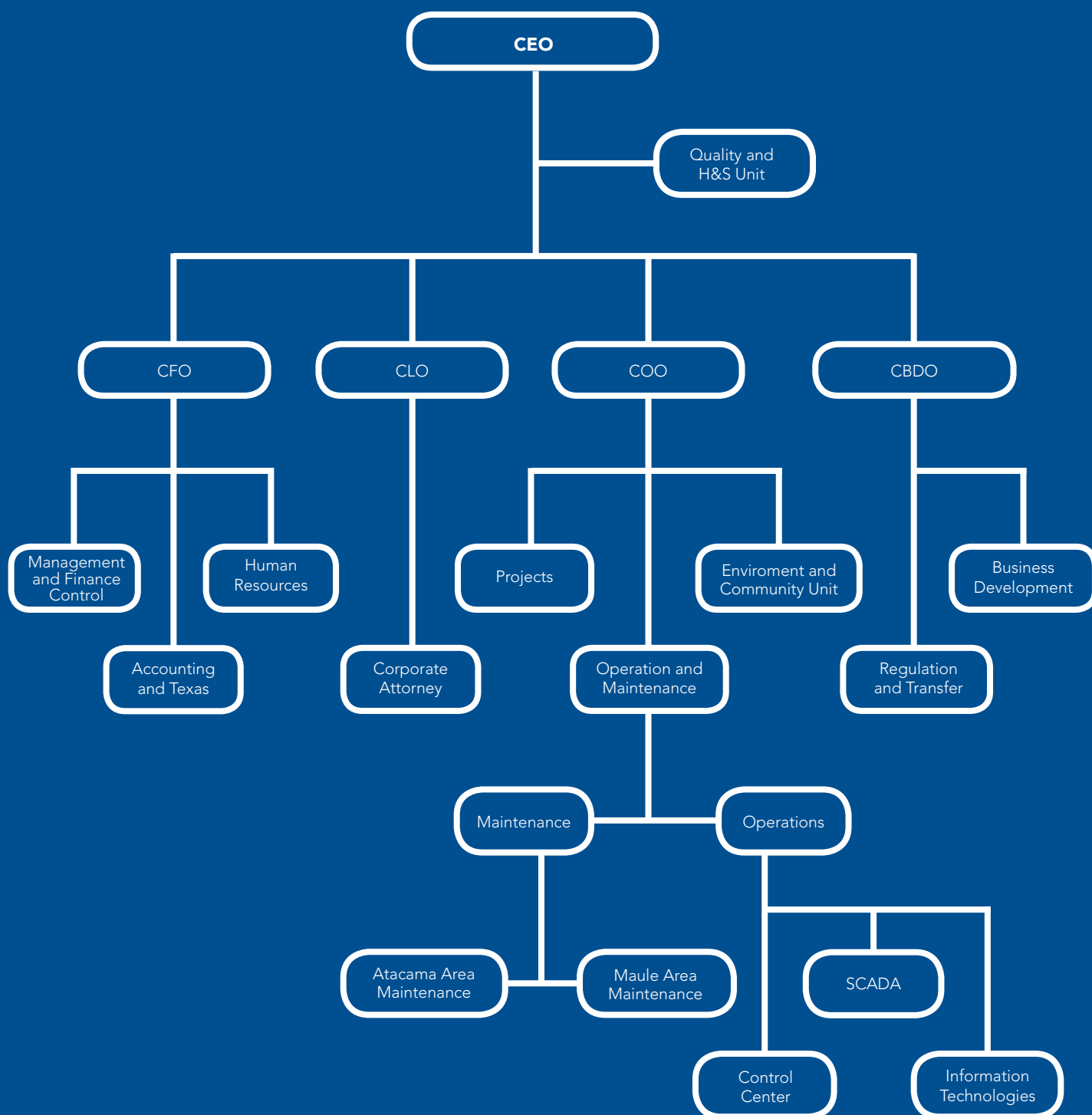
The main function of the Compliance Committee is the development of compliance policies and supervision of the proper application thereof. Likewise, it acts as a collegiate body in the exercise of the functions of the compliance body in pursuant to the laws in force, resolving any penalties for non-compliance or irregularities committed by workers of our company.

In 2018, the Compliance Committee replied to a complaint received through the transparency channel, it met twice during the year and the person in charge of prevention replied to a total of eleven queries received through the channel.

CHANGES TO OUR ORGANIZATIONAL STRUCTURE

- First of all, we have created the Information Technology (IT) unit in the Operations Unit in order to ensure the security of the information we handle, prevent risks in terms of cybersecurity and ensure business continuity. Given the strategic role we play in the development of the country, we have decided to manage the development of capabilities in this unit internally.
- We have planned the creation of a People Management unit within the Administration and Finance Management in the same fashion. This will help us attracting and retaining the talent we need to execute our new projects, in addition to carrying out the various training, development and quality of life activities our team requires.
- On the other hand, the Quality, Environment and Health and Safety unit was created with direct reporting to the CEO. This new unit - which materialized on January 1st, 2019 - included the professionals who led the company's Certification process among its team members, in addition to risk prevention experts, who depended on Operations Management until the end of 2018.





The leadership role in risk management

Risk management is a fundamental activity in the assurance of an operation meeting high quality standards. This is why we have a model for its management which enables us to monitor our activities, seeking to prevent and mitigate situations which have the potential to impact the people, the continuity of our service or our reputation.

Our Executive Management meet annually to assess risks in terms of safety and health, social, environmental, governance and quality of service. Each Manager is responsible for collecting and transmitting the specific risks of each unit to their work teams and taking the necessary actions to prevent them. The work conducted in each Management Office is reflected in our risk matrices, which respond to a modern and proactive management model, which along with the process of reporting findings and improvements as defined in our CMASS SIG, has been recognized by the various audits we had during year 2018.

3.2. Ownership Structure of Celeo Redes Chile

We are a subsidiary of Celeo Redes S.L., a Spanish corporation operating in Chile and Brazil through subsidiaries, with Celeo Redes Chile being one of them.

The ownership of Celeo Redes S.L. is split between Celeo Concesiones e Inversiones S.L.U., a corporation property of Elecnor S.A. and which owns 51% of our company, and APG Infrastructure Pool 2012, a Dutch corporation managing pension funds, holding the remaining 49%.

For its part, the property of Celeo Redes Chile Limitada is controlled by Celeo Redes S.L. with a 99.99% share, while the remaining percentage is owned by Celeo Concesiones e Inversiones S.L.U.

A series of subsidiaries depending on the parent company Celeo Redes Chile Limitada have been created in order to speed up operations in Chile. Each subsidiary is related to the projects in operation and plays an important role in shaping the financial structure.



3.2.1. OUR SHAREHOLDERS

Since our inception, Celeo Redes shareholders have been actively involved in all decisions shaping our differentiating elements and which have led us to occupy an important role in the domestic sector. It is them who have continually expressed their interest in continuing to invest and opening up new business opportunities, which has motivated us to continue growing and seeking to become a world class company.

ELECNOR, LEADER IN INFRASTRUCTURE CONSTRUCTION

With nearly 60 years of continuous growth and presence in more than 50 countries, Elecnor has become one of the most prominent Spanish business groups and a benchmark in the infrastructure, renewable energy and new technologies sectors.

The diversification of its activities has been one of the strategic axes throughout its history, which has enabled it to cover various sectors ranging from electricity, gas, industrial plants, railways, telecommunications, water, control systems, construction, environment, maintenance of facilities, and even aerospace engineering.

Elecnor seeks to differentiate from its peers in the sector by conducting a safe and efficient operation, by the quality of its human team, by its customer service vocation, by its technical and financial solvency, in addition to values such as integrity and sustainability, and by the stability of its profitability.

Under the slogan "We think of a better world", the corporation seeks to contribute to sustainable development from the identification and mitigation of impacts generated by its operations. In that sense, Elecnor has decided to be part of the Global Compact and to subscribe to the 17 Sustainable Development Goals (ODS) of the 2030 Agenda for Sustainable Development.



APG, STRONG ON MANAGEMENT OF COLLECTIVE AND JOINT PENSION FUNDS

APG is the largest pension fund manager in the Netherlands, has around 3,000 employees, who are in charge of advising on asset management, pension fund management, communication on pensions and services for employers.

APG conducts these activities in favor of pension funds, in addition to other funds, and in favor of employers of educational establishments, state entities, construction companies, cleaning and window cleaning companies, housing corporations, energy and public services companies, special employment centers, specialist medical centers and architecture companies. For the case of pension funds and other funds in these sectors, APG manages approximately 463 billion euros in pension fund assets⁹. APG works for approximately 21,000 employers and manages the pension funds of one out in five families in the Netherlands (approximately 4.5 million participants), with offices in Heerlen, Amsterdam, Brussels, New York and Hong Kong.

By having the ability to observe the world around it, APG hopes to contribute to a livable society for future generations. Sustainability means that the needs of future generations also play an important role. APG advises its clients to invest in a responsible manner given that the concept of responsible investment is integrated into the investment process.



⁹. Figures by December 2018.



3.3. Ethical Management

MATERIAL TOPIC: TRANSPARENCY AND ETHICAL MANAGEMENT

Why is it relevant?

Operating ethically is the basis that sustains a long-term operation. Only behaviors observing honesty and transparency will allow us to generate trust bonds with all our stakeholders and this value is a wide part of our culture. Therefore, **Governance** is part of the pillars of our Sustainability Policy.

Whom is it important to?

Shareholders, Financial Institutions and Investors, Clients, regulatory bodies, Authorities and public opinion.

How do we manage it?

We have a set of mechanisms ensuring the detection of potential risks in this matter. Our Crime Prevention Model comprises the regulatory framework, complaint channels and internal Policies, speeding up the process of detecting and preventing any behavior deviating from our values.

Our actions are oriented to the development of an efficient operation meeting high operational excellence standards and which observes the legislation, the environment and the communities near our assets.

Being part of the Elecnor Group invites us to conduct work framed within our Charter of Values, responding with ethics and transparency to the needs of all our stakeholders, always trying to contribute with our knowledge to the development of the energy sector.

It is the responsibility of all of us who are part of Celeo Redes Chile to reflect our mission, vision and corporate values in each of the tasks we undertake.

Mission Statement

To contribute to the economic and technological progress, social welfare and sustainable development, through investments in safe, reliable and efficient energy infrastructures.

Vision Statement

To be a benchmark company in the energy infrastructure market, committed to excellence, with a solid environmental, social and proper governance culture involving all our stakeholders in the creation of the company's value.



Values

1. Appreciation for life and its environment.
2. Customer and interest group orientation.
3. Honesty, respect and transparency.
4. Commitment, effort and perseverance.

1

Health and safety are essential values. We prioritize safety over any other requirement in our activities, only executing tasks under safe conditions. We care for the social and environmental context required to achieve a complete life.

2

We are committed to the satisfaction of our clients and interest groups, anticipating their needs and exceeding their expectations. We strive to provide excellent service every day.

3

We promote honesty, respect and transparency at all levels of the company in order to build lasting and ethical relationships.

4

We believe in commitment, effort and perseverance to achieve our goals.

3.3.1. OUR CODE OF ETHICS

At Celeo Redes Chile, we are governed by the Elecnor Code of Ethics, which ensures that all companies of the holding group share the guidelines which ensure proper behavior.

We put the declaration of our Charter of Values into practice with this document, ensuring that the achievement of goals is the result of ethical, responsible and transparent processes.

The code classifies the expected behaviors of Elecnor employees and its subsidiaries in seven topics:

- 1 **General acting principles**, which address regulatory compliance aspects, in addition to respect for human rights and the environment.
- 2 Specific principles of action in regards to **shareholders**, which address the duties of providing relevant information.
- 3 Specific principles of action in regards to **employees**, which deals with aspects related to health and safety at work, work-life balance, among others.
- 4 Specific principles of action in regards to **clients**, which guide the generation of transparent and relevant information in good faith.
- 5 Specific principles of action in regards to **suppliers**, which safeguard the confidentiality and impartiality on bidding processes.
- 6 Specific principles of action in regards to **competitors**, where respect, collaboration and a sense of free competition prevail.
- 7 Specific principles of action in regards to **social representatives**, which guides the generation and submittal of relevant, truthful and accurate information.

Transparency and ethical management are part of two action pillars in our Sustainability Strategy: social management, with "ethical and lasting professional relationships" as a principle, and the governance pillar, which aims to advocate transparent behavior, avoiding any behavior which may contravene the regulations, harm the reputation of the company or impact its public image.

Each of these topics is disseminated to workers from their first day at our company and is periodically reinforced by various training or awareness activities.

The Code of Ethics is a document disseminated within our company through various channels and instances, modeling our organizational culture from the beginning and serving as the basis for the Crime Prevention Model.

100% of the members of our company received training in anti-corruption matters.

3.3.2. CRIME PREVENTION MODEL

Our Crime Prevention Model is tuned to Law No. 20,393 on Criminal Liability of Legal Entities and our internal regulations, aiming to prevent criminal actions during activities conducted by any member of our organization.

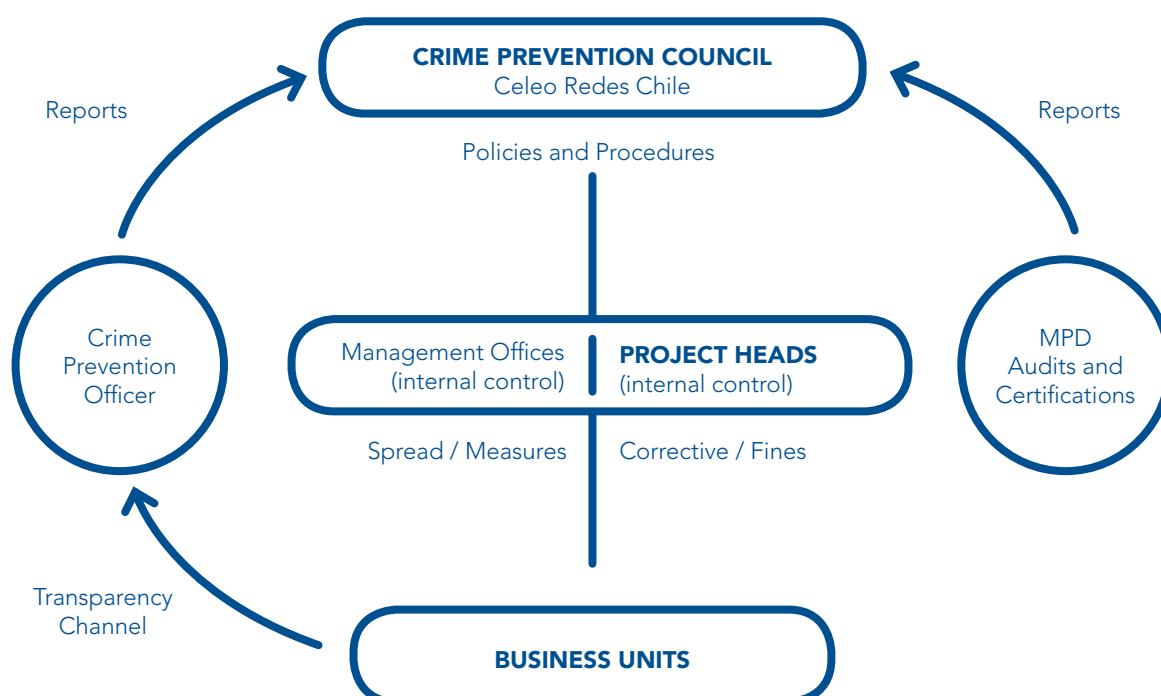
By responding to internal and external regulations, the model helps simplifying ethical management within the company, enabling us to detect potential risk behaviors in a timely manner, while reinforcing the expected behavior of all company employees. In this fashion, 100% of Celeo Redes Chile operations have been assessed in regards to corruption risks.

The model is precisely built to prevent actions which may compromise the criminal liability of legal persons in the crimes of money laundering, financing of terrorism, bribery of public employees, national or foreign, and the crime of receiving stolen goods, in addition to crimes which were included by the end of 2018: incompatible negotiation, corruption among private parties, misappropriation and unfair administration.

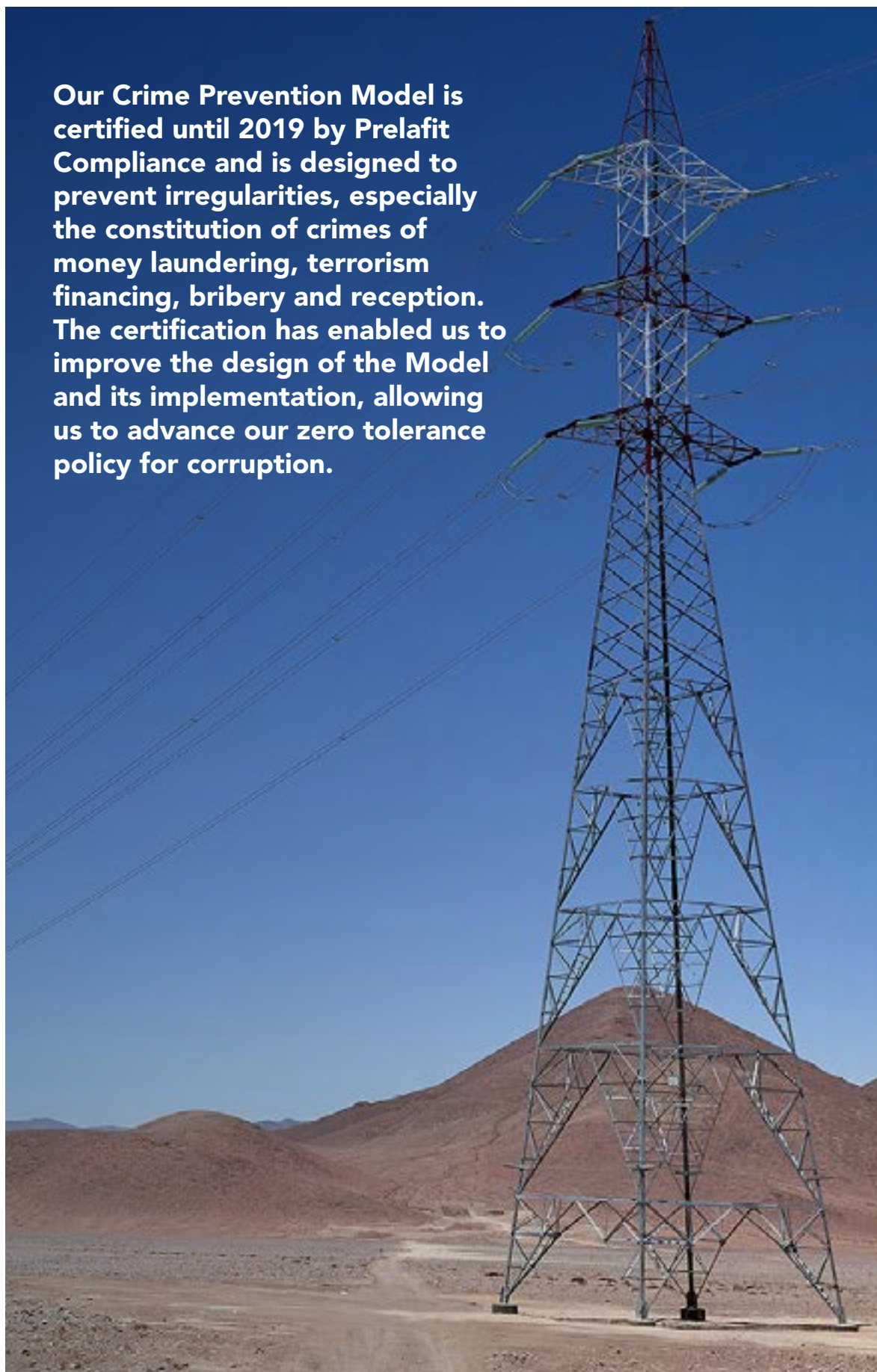
The Crime Prevention Council is the body overseeing the model operation, ensuring that it is aligned with possible changes to the regulatory framework. It comprises two Celeo Redes S.L. Directors and the Celeo Redes Chile CEO, who appoint the Head of Compliance, a position held by attorney Cristián de la Cruz.

The Council meets semiannually or when circumstances deemed appropriate so require, where they receive information and reports from the Head of Compliance and the Annual Report on Risk Prevention. Depending on the number and nature of the complaints received, it is the duty of the Council to define procedures preventing the constitution of crimes, and report them to the company's management.

Main MPD Entities



Our Crime Prevention Model is certified until 2019 by Prelafit Compliance and is designed to prevent irregularities, especially the constitution of crimes of money laundering, terrorism financing, bribery and reception. The certification has enabled us to improve the design of the Model and its implementation, allowing us to advance our zero tolerance policy for corruption.



3.3.3. TRANSPARENCY CHANNEL

The Governance pillar in our company is characterized by the zero tolerance principle to any form of corrupt or criminal behavior, potential or real, which may directly or indirectly impact our operations. All Celeo Redes Chile members are subject to this Policy, which requires their behaviors to comply with the law and be framed within our corporate values.

Our leadership position is based on conducting the business ethically, delivering relevant and accurate information. This is why, both within our company and when interacting with our stakeholders, we are guided by the values and behaviors defined in our Charter of Values, Code of Ethics and Crime Prevention Model.

The transparency channel (transparenciachile@celeoredes.com) is a secure and confidential means through which all our collaborators and suppliers can send us their concerns in ethical matters, raising alerts about potential or current risk behaviors. The information received is investigated by the Prevention Officer to which the Crime Prevention Model refers.

In addition, there is an anonymous channel on our website www.celeoredeschile.cl, open to all our stakeholders, through the "Transparency Channel" section, where it is possible to file complaints or questions on topics related to the Charter of Values, the Code of Ethics or the Crime Prevention Model.

Both complaints received through email and those coming from the website are received by the Officer In Charge of Crime Prevention at our company.

All our stakeholders, including our employees and contractors can communicate their concerns regarding ethical compliance to the following email: transparenciachile@celeoredes.com.



During 2018, we had no corruption cases, pending or finalized legal proceedings in matters of unfair competition, monopolistic practices, or against free competition. Nor did we receive significant fines, monetary or non-monetary, due to non-compliance with laws or regulations in social or economic matters.



We contribute to this ODS by managing with ethics, probity and transparency, which define the accepted and expected behaviors of all those working at Celeo Redes in their interactions within the company and with external actors.





4.1. Financial and operational results

MATERIAL TOPIC: BUSINESS PERFORMANCE

Why is it relevant?

Proper business performance enables the development of processes with excellence, allowing us to plan our actions with confidence and peace of mind. Our business results are the basis for sustainability in our organization, since it is the origin of any action we consider conducting since it ensures our continuity. The responsible execution of our business plan allows us to obtain the financing required by our assets and the development of new projects under the best possible scenarios.

Whom is it important to?

Shareholders, Authorities, Financial Entities and Investors.

How do we manage it?

The business plan is the roadmap guiding the business management of our company. This plan provides support to the various technical and operational units, seeking to maximize value creation and generating the conditions to position ourselves as a relevant player in the market. In our nine years in operation, the business plan has had both the strength to plan for the long term, as well as the flexibility to restructure and provide space to company growth, as was the case with the first placement of bonds and now with the projects we just had awarded.

MATERIAL TOPIC: NEW INVESTMENTS

Why is it relevant?

The search for new investments brings us closer to fulfilling our objective of growing and consolidating in the domestic electricity market. Each new project is a platform from which we can demonstrate and improve our capabilities, as well as an opportunity to contribute to the country with efficient and innovative solutions for a first class electric transmission. On the other hand, specifying new investments is part of our responsibilities towards shareholders, who have trust in the potential growth of our company.

Whom is it important to?

Shareholders, Authorities, Financial Entities and Investors.

How do we manage it?

The development of new businesses is a continuous activity within the company. In order to continue contributing to the country with a high quality electric transmission service, we intend to increase our projects portfolio to plan for the long term. Results obtained in 2018 show the space available to continue growing from the generation of innovative and attractive proposals, soundness of which is based on inter-unit work. Although our current focus is to capitalize on the work conducted in the units where our assets are located, our intention is to expand the presence of Celeo Redes in the country and expand our expertise .

4.1.1. OUR FINANCIAL VISION

Energy transmission is a business in large part sustained by the business management ability to manage current assets and attract investments which enable it to grow and consolidate in the long term.

Obtaining external financing is crucial to cover the total investment required by the projects. Therefore, our financing strategy is conducted with the contribution of all company units.

Collaboration among the various company teams when preparing proposals has been very useful in these processes. Each tender is carefully studied by the Business Development and Regulatory Affairs Management Office, which coordinates the preparation of the proposal with a specific team and has the support of the Administration and Finance Management Office and the technical view of the Operations Management Office. These synergies are key to developing a proper and competitive project cost budget. For their part, the teams at the Legal, Work Health and Safety, and Environment and Communities units make observations on the proposal, in terms of impacts the development of the project and value generation opportunities would have.

The results obtained in 2018 are a recognition of the soundness with which we conduct our business and the strength of our teamwork, which further strengthens the value propositions with which we go out to the market in the search of financing.

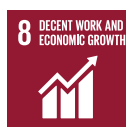
Our financial results of 2018 and previous years have allowed us to develop and strengthen long-term relationships of trust with our shareholders and investors, to whom we have demonstrated our ability to create and distribute value by developing competitive, innovative and comprehensive proposals, and executing projects with integrity and professionalism.

"The financing structure consolidated in 2018 is a recognition of the stability of our business and the efficiency with which we have developed our projects. This achievement provides us with enough peace of mind to devote ourselves to the exploitation of our assets and provides a good standing for funding and building new projects."

Chief Financial Officer

Throughout our history, we have managed to stand out in the domestic market thanks to impeccable asset management, efficient process management, security in our operations and the progressive adoption of sustainability criteria into our actions. With these credentials, we create trust relationships with our diverse interest groups, committing ourselves to the generation of shared value.

Today, we are an important player in the sector, we operate 506 kilometers of transmission lines and by the end of 2023, we will operate more than 1,000 kilometers of the National Electric System. Today, except for the Illapa-Cumbre line, all our lines operate at 500 kV, the highest voltage at which energy is transmitted in Chile.



Our transmission system has a total length of **506 kilometers of electric transmission overhead lines**, of which 256 kilometers (Ancoa-Alto Jahuel line or AJTE line) are double circuit set.



In 2018, the focus of our financial management was as follows:

Energy transmission service with the 2x500 kV Ancoa - Alto Jahuel transmission line.

Energy transmission service with the 2x500 kV Ancoa - Charrúa transmission line, laying of the first circuit.

Development of the Illapa-Cumbre project in the Diego de Almagro area.

Operational services provided by the Control Center.

Operation, maintenance and administrative management services from subsidiary companies.

Operations related to with the 2017 bond issuance (report, debt payment and relationship with investors).

4.1.2. BUSINESS MANAGEMENT 2018¹⁰

Revenue received by Celeo Redes Chile comes from two sources. First, there is revenue resulting from the State regulated collection for electric transmission tolls. The second type of income comes from the services we provide to our customers at the Control Center. The value we generate through customer management is distributed among the various commitments made to our stakeholders and can be seen in the table below.

Results obtained showed changes over those submitted in previous years. In the case of 2017, negative values relate to the execution of the bond issuance and payment of the debt related thereto. On the other hand, the 2018 increase in revenue is explained as a consequence of the commissioning of the CHATE line.

**By the end of
2018, total income
received amounted
to MUS \$51,648**

BUSINESS VALUE GENERATED AND DISTRIBUTED BY CELEO REDES CHILE 2018 (THOUSANDS USD\$)			
Concept	2016	2017	2018
Generated Business Value (A)	29,122	33,603	51,648
a) Revenue	29,122	33,603	51,648
Distributed business value (B)	19,976	42,355	39,421
a) Operational Expenses	4,235	4,181	6,647
b) Salaries and employee benefits	1,992	1,106	1,585
c) Capital providers (financial costs)	13,153	37,068	27,150
d) State Payments (taxes)	596	0	4,039
WITHHELD BUSINESS VALUE (A-B)	9,146	-8,752	12,227

Operating income for the 2018 fiscal year amounted to MUS\$ 51,648, which accounts for a 53.7% increase over consolidated revenue by the end of December 2017, which amounted to MUS\$ 33,603. This significant increase is due to the business commissioning of the CHATE project on December 24th, 2017, since the income from the AJTE project was almost identical in both periods, which reflects on the stability of the business.

The breakdown of consolidated revenue for year 2018 is distributed among the AJTE projects with an amount of MUS\$ 32,016; accounting for 62% of the total, and CHATE, which amounted to MUS\$ 17,866 and accounted for 35% of the total. The remaining income mainly corresponds to services to third parties provided by Celeo Redes Chile Limitada, for the supervision and control of generation plants and transmission lines in the national territory.

Percentages of income per customer are shown below, both in the case of AJTE and CHATE. Information regarding DATE is not included as there is no project billing by the end of 2018.

10. Entities part of the financial statements and which were submitted to the CMF last April include: Celeo Redes Operación Chile S.A., Casablanca Transmisora de Energía S.A., CRC Transmisión SPA, Alto Jahuel Transmisora de Energía S.A., Charrúa Transmisora de Energía S.A., Diego de Almagro Transmisora de Energía S.A. and Mataquito Transmisora de Energía S.A.

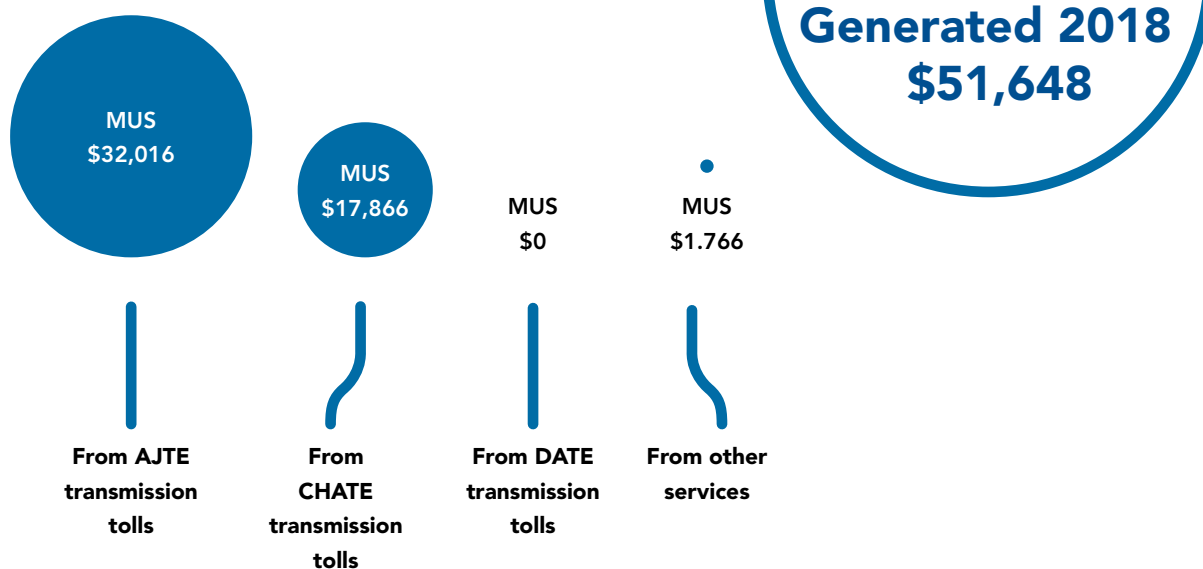
**PERCENTAGE OF INCOME PER CLIENT OF CIRCUITS 3 AND 4
OF THE ANCOA - ALTO JAHUEL TRANSMISSION LINE**

Client	2016	2017	2018
Empresa Generación Chile S.A.	35%	32%	33%
Colbún	28%	29%	30%
Empresa Eléctrica Pehuenche S.A. (Subsidiary of Grupo ENEL)	8%	9%	9%
Gas Atacama Chile S.A. (Subsidiary of Grupo ENEL)	5%	5%	5%
Aes Gener S.A.	4%	5%	5%
Other Clients	20%	21%	18%

**PERCENTAGE OF INCOME PER CLIENT
OF THE CHARRUA-ANCOA TRANSMISSION LINE**

Client	2018
ENEL Generación Chile S.A.	37%
Colbún	27%
Gas Atacama Chile S.A. (Subsidiary of Grupo ENEL)	4%
Aes Gener S.A.	3%
Engie Energía Chile S.A.	3%
Other Clients	26%

REVENUE 2018



BUSINESS RESULTS OF THE COMPANY:	US \$ (THOUSANDS OF DOLLARS)
EBITDA	40,542
Profit of the exercise	7,601

In terms of significant investments, we had a total real investment of ThUS \$ 35,031 for infrastructure and assets in 2018, distributed by project as follows:

- **AJTE (3 y 4):** MUS \$32
- **CHATE:** MUS \$11,563
- **DATE:** MUS \$23,281
- **Other:** MUS \$155

Likewise, we were awarded with two important projects, which change our role and presence in the industry in a gravitating fashion. It is the award for the construction, operation and maintenance of the **Mataquito - Hualqui and Nueva Alto Melipilla - Agua Santa** transmission lines.

The reference investment (*amount of investment estimated by the CNE for each project included annually in the Transmission Expansion Plan*) of these projects amounts to approximately US\$ 400 million, which practically doubles the investment value of the company. Thus, these

projects strengthen our financing structure, providing the necessary peace of mind to exploit our assets and comply with our commitment to maintain the infrastructure updated, operational and available for the domestic transmission system. Our future growth is planned so that everyone in the company can be a protagonist and we can share the learning generated by each process, increasing our size in a sustainable manner.

We have learned about the relevance of coordinated work among the professionals of the various units of our company from the projects currently in operation, because only when we all know the work conducted in each management office, can we become aware of the impact each has on the business management of the company. Undoubtedly, this element of our organizational culture will be fundamental when executing the new projects we are about to start.

**By the end of
2018, the total
investment
amount totaled
MUS \$35,031**

4.2. Description of other businesses

At Celeo Redes Chile we have a team of professionals who wish to grow along with our company in a long-term horizon based on the management of current assets and the search for opportunities to expand our project portfolio.

The domestic electricity sector is a highly regulated industry, so the fashion in which to access new projects lies in the submittal of offers responding to **public bidding processes called by the Department of Energy and managed by the National Electric Coordinator.**

We have had a greater number of projects to apply for due the growth and increase of energy needs in the country. This context provides us with great opportunities to continue growing, but also requires an agile, efficient and highly prepared team to develop competitive proposals which are an integral contribution to the transmission system of the country.

Year 2018 was a particularly challenging year in this area given the magnitude and quantity of bidding processes that took place. Therefore, our efforts were focused on the preparation of attractive offers for projects in which we detected we could be more competitive.

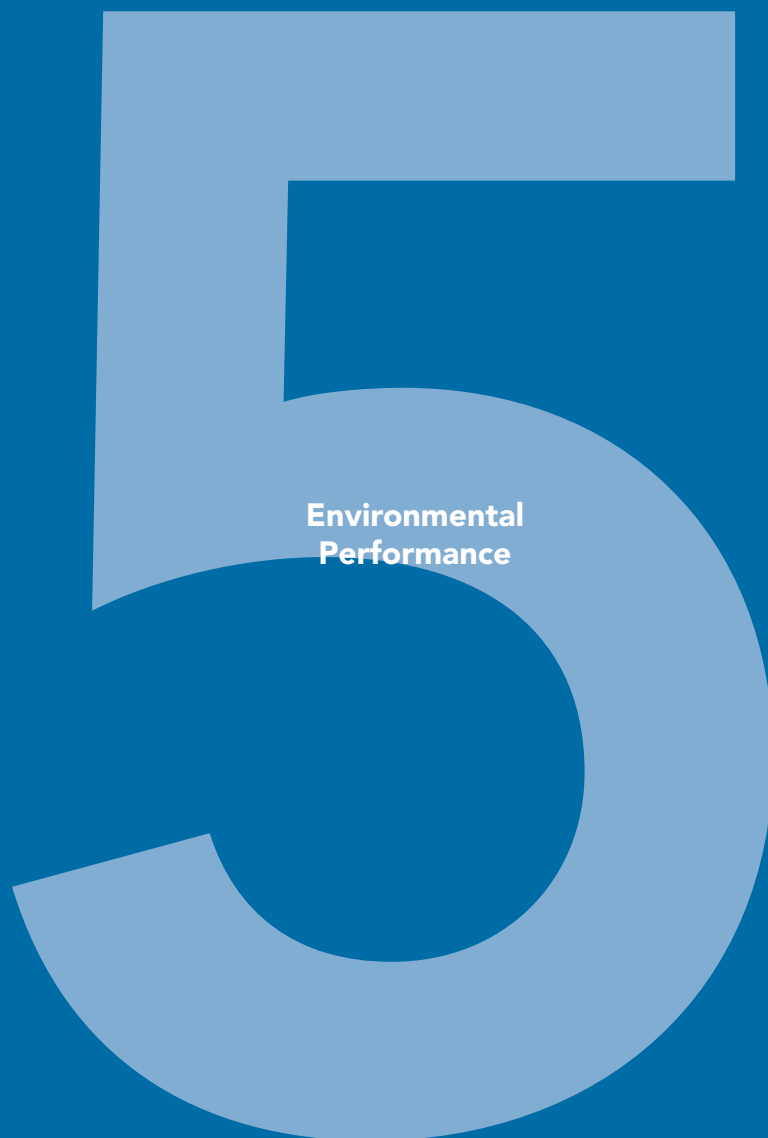
In connection with our **third-party operation services by our Control Center**, this year we began remote operation of TransChile's transmission facilities and renewed our contract with First Solar, under which we provide services to one of the largest photovoltaic plants in the country.

Our Control Center allows remote operation of electrical facilities, meeting the needs of Celeo Redes, such as those of third parties. We currently have three clients: First Solar, TransChile and Santiago Solar.

Our transmission lines also include fiber optics, which are used for company communications. In line with our innovative nature, we believe we can transform this capacity into a viable future business by leasing our additional installed capacity to telecommunications companies.

Finally, a maintenance service to third parties is another potential business alternative. By having our own equipment for asset maintenance, we believe that it is possible to offer a highly specialized maintenance service other companies in the sector, which can contribute to the fulfillment of objectives in terms of efficiency, work safety and sustainability.







5.1.Environmental commitments

MATERIAL TOPIC: PROTECTION OF BIODIVERSITY AND HABITATS

Why is it relevant?

Safeguarding biodiversity and natural habitats of our areas of influence is a key condition to ensure the continuity of our business in the long term, as indicated in our Sustainability Policy in its **Environment** pillar. Our commitment to environmental sustainability has led us to develop a preventive approach, seeking to characterize and monitor the biodiversity of the areas where we are present, with the aim of detecting possible impacts which may result from our activities, along with minimizing risks and impacts of our operation.

Whom is it important to?

Shareholders, Regulating Authorities, Communities.

How do we manage it?

We have developed a plan for the management of risks and environmental impacts of our activities covering the entire life cycle of our projects, from planning to commissioning, operation and maintenance. This management includes monitoring biodiversity and natural habitats activities in our areas of influence, along with reforestation programs and characterization of biodiversity in protected areas.

MATERIAL TOPIC: EFFICIENCY IN THE USE OF RESOURCES AND WASTE MANAGEMENT

Why is it relevant?

Our commitment to operational efficiency requires the development of activities ensuring the responsible use of natural resources. Similarly, we know that by the development of proper environmental management we can contribute to the sustainability of the electric sector, sharing our learning and good practices with other actors in the industry.

From the above, we have proposed to be an eco-efficient company, managing its emissions and encouraging waste reduction, ensuring the development of an operation responsible with the environment, which builds its future on practices respecting the environment in the areas where it is involved.

Whom is it important to?

Shareholders, Regulating Authorities, Communities.

How do we manage it?

At Celeo Redes Chile, we measure our direct environmental impacts and we have a plan for the management of emissions, waste and energy consumption, in addition to policies and practices for the efficient use of natural resources. Thanks to the measurement of our carbon footprint we have managed to create a baseline of our environmental impact, from which we have been able to identify and prioritize aspects of our operation in which we must improve, which has in turn translated into programs and activities for the improvement of our environmental performance, prioritizing the most critical issues..

Concern for environmental impacts is present in all stages of our projects. Preventive and mitigating actions are coordinated by the Environment and Community Relations Unit (MAC) and the entire organization is involved under various capacities when developing actions linked to the responsible use of natural resources, reducing our carbon footprint, waste management and caring for biodiversity.

As indicated in our Sustainability Policy in its **Environment** pillar, at our company, we promote initiatives promoting greater Environmental responsibility, by actions integrated to our strategic plan and our continuous risks assessment. This is the case when adding environmental protection measures to our daily internal processes, such as Pedestrian Visual Inspections or others which are detailed in this chapter.

Likewise, we favor the development and spread of technologies which observe protection of the environment, biodiversity and which result in less pollution. In this context, we find actions such as the protection of the fauna surrounding our operation, the continuous moderniza-

tion of our vehicles fleet and the addition of new mechanisms which enable us to monitor our operation in an eco-efficient fashion.

We monitor our environmental management with our Integrated Management System (CMASS SIG), considering compliance with environmental regulations, the guidelines set forth in our Sustainability Policy and commitments made to the authorities and which are manifested in the Resolutions of Environmental Classification (RCA) of our projects. Thus, the CMASS SIG is the tool defining and controlling the risks and environmental impacts of our work. The detected risks are added to the "Identification of Aspects and Evaluation of Environmental Impacts" (IAEI) company matrix, which are assessed by the MAC unit and are reported to the Sustainability Committee.



ENVIRONMENTAL CONCERN IN THE PROJECT CYCLE

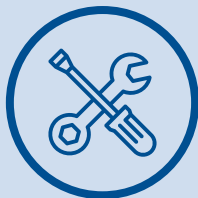
Although environmental impacts are mainly generated during the construction phase of the projects, our work plan includes specific environmental care activities for the various stages of each project, aiming to recognize and monitor the environment of our operations and proactively linking to contractors, authorities and land owners affected by our installations.

The three stages are described below:



Planning Stage

The layout of the transmission lines is defined from an assessment of the physical and human environment of the area where the project will be placed. In this stage, both technical and socio-environmental aspects are considered, seeking to define a path that is efficient and at the same time observant of the biodiversity of the area where the assets will be located in. From an environmental perspective, both initial assessments conducted to the project awarding are considered, in addition to detailed planning including basic studies of the physical and human environment, as well as a specific mapping of environmental impacts.



Construction Stage

The construction of projects is the stage that holds the greatest amount of environmental and social impacts of our business. Although the planning of each project has designed the layout of our transmission lines in an efficient fashion, seeking to reduce the impact on biodiversity, construction activities are an intervention to the natural environment, and therefore we pay special attention to all safeguards tending to preserve the natural life and make the required compensations during this stage, trying to minimize the intervention to the original space.

This stage is conducted with the support of the Elecnor company, whose workers are involved in an Environmental Accompaniment Program seeking to ensure compliance with current environmental regulations and the work standards we have developed. Periodic reports on environmental management are generated under this same program, which enable the detection of gaps and their management in a timely manner.



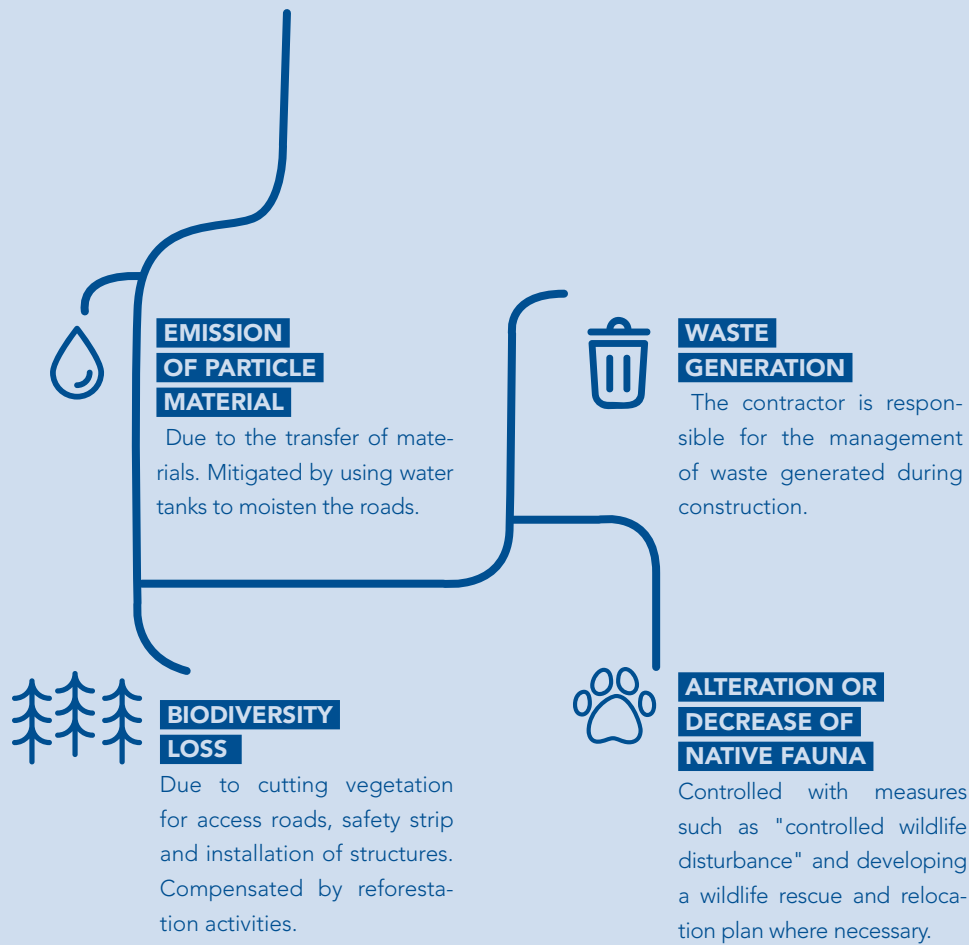
Operation and Maintenance Stage

Once the project is commissioned, there is permanent monitoring of the environmental commitments undertaken for the project and a strong preventive environmental management with regards to the operation and maintenance activities conducted by its own workers and contractors. The monitoring of environmental commitments mainly focuses on the monitoring of noise, electromagnetic fields, assessment of bird mortality and erosion. In the same way, the reforested properties are monitored and periodic inspections are conducted to the safety strip of the transmission line in order to ensure that there is no vegetation that could interfere with the line and cause fires.

Given that the Maintenance team, mainly the Transmission Lines Team is the one spending most of the time in the field, environmental training has been set, so that they conduct preventive tasks and identify events which need to be reported in order to take action, contributing to the work conducted by the Environment and Community Relations Unit team.

Monitoring activities for the protection of the local bird fauna are continuous, added as a assessment topic in land inspections. These actions are reinforced by our environmental education programs conducted in rural schools in the area of influence of our facilities, where we seek to spread knowledge on the birds present in the area.

Environmental impacts generated in the construction phase of the projects relate to the following factors:



We currently maintain 26 reforestation and compensation sites, distributed along the Metropolitan and Biobío regions.

On site, the most experienced workers are those in the transmission line team, who play an important role in the projects' operation phase, dedicating themselves to monitoring and reporting on the status of the safety strip, structures, conductors and the layout of the line in general.

The MAC Unit designs and provides training to workers in the field so that they are able to collect and report relevant information in real time. These trainings have been extended to contractor workers with the aim of transferring good practices, standardizing the work in the field and reinforcing the monitoring process for potential environmental risks which may affect our operation.

Given that our projects are located in areas with diverse environmental and social characteristics, activities for the care of biodiversity are specific to each zone and include regulatory compliance, in addition to commitments with the owners of easements and local communities. It is for this reason that training activities for field workers are continuous and the content includes both focus of environmental management at Celeo Redes, and the specifics of the area where they will perform their duties.

5.1.1. MANAGEMENT OF IMPACTS ON BIODIVERSITY

At Celeo Redes, we have plans for monitoring the biodiversity present in the project development area. By the generation of periodic reports and a continuous field presence, we have been able to identify risks and manage our impacts early.

Environmental monitoring work in the field has the support of our own staff and contractor workers. All of the above conduct visual inspections and generate reports strengthening our environmental management, are trained by the MAC Unit in technical and practical aspects, reinforcing practices related with behavior, responsibility in regards to remains of pruning and protection of the fuel used in machines and trucks during field activities, in order to prevent forest fires and thus avoid an environmental disaster.

The impact profile and the 2018 progress of the environmental management of our projects is as follows:

OUR PROJECTS

Crosses three regions of the country (Metropolitana, O'Higgins and Maule), an area characterized by being mainly agricultural and by the presence of native forests, running through 18 districts, in a 256 km area.

CHATE

Crosses three regions of the country (Maule, Ñuble and Biobío), a predominantly forest area, both in terms of plantations and native, going through 12 districts, with a 198 km area.

DATE

Is located in the Atacama Region, in the district of Diego de Almagro, a desert zone with an area of 52 km.

Taking the above into consideration, our understanding of the main impacts and mitigating measures for the operation of our company are shown below.

IMPACTS ON THE ENVIRONMENT

We do not use or have access to subsurface or underground lands in any of our operations.

None of our projects are located in protected or conservation areas or classified as an area of a great biodiversity value.

Main impacts to the identified biodiversity are **vegetation cutting and pruning**, activity affecting the habitat of the local fauna, **emissions of particulate material**, due to the transit of maintenance vehicles, and **consumption of resources and generation of waste** by operation and maintenance.

Forest species mostly affected are radiata pine, eucalyptus and native species, as the result of cutting and / or pruning related to maintenance activities at AJTE and CHATE.

REFORESTATION PLAN

In 2018, AJTE began reforestation activities related to the corrective plan process conducted in 2017 with respect to the areas intervened by our contractor during the construction of the project. This process meant the reforestation of 41.5 ha of native forests and 3.6 ha related to forest plantation.

At CHATE, 39.01 ha were reforested, of which 12.89 ha include native species and 26.12 ha are radiata pine based, subject to commitments for the execution of forest management plans related to the construction stage.

FAUNA

By early 2018, additional monitoring was conducted on the implemented site as a measure within the Rescue and Relocation Plan for Land Fauna related to the CHATE project. The results showed that the variables of richness, abundance and density allow establishing that the populations analyzed have remained stable over time, which is an indicator that fauna relocation has not affected the integrity of the relocation sites.



We contribute to this ODS through our reforestation activities and the biodiversity management surrounding our projects, which includes identification of affected species, birdlife monitoring and protection, and terrestrial fauna management plans.

There are species in the areas where the operations of the Ancoa - Alto Jahuel (AJTE) and Charrúa - Ancoa (CHATE) lines are located which are cataloged under the red list of the International Union for the Conservation of Nature (IUCN) and in National conservation lists, which are presented below:

Danger Type	Quantity	Operation and species
Critically Endangered	0	-
Endangered	0	-
Vulnerable	1	AJTE: <i>Porlieria chilensis</i> (Guayacán).
Nearly endangered	3	AJTE: <i>Nothofagus glauca</i> (Hualo) CHATE: Species: <i>Austrocedrus chilensis</i> (Ciprés de la cordillera) y <i>Citronella mucronata</i> (Naranjillo).
Minor concern	0	CHATE: Species: <i>Citronella mucronata</i> (Naranjillo)

Both our own maintenance staff and contractors have been trained in the identification of these species in order to ensure their preservation and not intervene during our activities.

5.1.2. CROSS-PROJECT ENVIRONMENTAL ACTIVITIES

The life cycle of our projects includes cross-cutting activities for the prevention of environmental impacts in the areas where our facilities are located. In 2018, we conducted the following activities:



Training

Both our own workers and contractors received training on our procedures for monitoring our area of influence and impact management. Contents on the Hunting Law, biodiversity care, protected species management and cultural heritage management were reinforced this year. 79 workers were trained in a total 139 hours.



Development and delivery of informative material

We developed posters and instructions with information about local fauna according to their conservation category. We also generated signage to indicate the presence of wild animals and cultural heritage through four posters that were arranged at all work centers, two internally signed procedures and signage throughout all our facilities.



Birdlife protection

Our facilities are a danger to birdlife. We have flight deviators for this reason, which prevent birds in flight from colliding with our transmission lines. Likewise, collisions and bird droppings can cause infrastructure damage, putting normal operations at risk. No new flight deviators were installed in addition to those existing in our operating lines network during 2018. In this period, there were 4 collision-related events at the AJTE project and 3 events at the CHATE project.



Noise measurements

We measure the generated noise to assess its impact on the community, both during construction and during the operation of our projects. During the construction phase, we have insulating panels to encapsulate noise, while in operation we monitor noises that usually intensify with rain and atmospheric humidity.

Two measurements were taken at the CHATE project during 2018, one during the development of maintenance activities (vegetation pruning) at two sensitive locations. And the other to verify the audible noise level (corona effect) at three sensitive locations, this last measurement considered daytime and night-time difference.

We Adhere to the Precautionary Principle

Our environmental management adheres to the guidelines set forth by the Precautionary Principle, which urges us to act with caution when there are well-founded suspicions about risks to the health of people or the environment.

The entirety of our projects require Environmental Qualification Resolutions (RCA), which are granted by the Environmental Evaluation Service, under the Department of Environment, whose requirements include the Precautionary Principle standards and the definitions of the Rio +20 meeting.





5.1.3. MANAGEMENT OF ENVIRONMENTAL COMMITMENTS IN OUR PROJECTS

Along with the cross-company environmental management activities, each project we develop includes preventive and mitigating actions responding both to the context of its operations and the environmental commitments set forth in the Environmental Qualification Resolution, which are detailed below:

2x500 kV Transmission Line Ancoa – Alto Jahuel 3 and 4 (AJTE)

As part of the AJTE environmental commitments, activities were carried out in 2018 to monitor the environmental compensation measures linked to the vegetational component. To this date, 82 ha have been completed, which accounts for 100% of the area committed. There were also measurements of electromagnetic fields at sensitive points, whose results indicated that the values are within the limits set forth by the standard.

The measure for the intervention of native oak-hualo forest stands out within the Monitoring Plan, an activity which verified the existence of sprouts and an adequate development of the vegetational mass.

In regards to the protection of birdlife, various campaigns were carried out during the year to identify events of birds colliding with power lines. The results of these activities were reported to the Superintendency of the Environment (SMA) during the first quarter of 2019.

Finally, an oversight was conducted by CONAF under the mandate of SMA during September 2018, in order to verify the various commitments and actions developed in the forestry aspect. At present, we await the result of this inspection.

- We complied with 100% of the monitoring of the vegetational component of our environmental compensation plan.
- We identified the development of vegetational mass in the intervention conducted at the native oak-hualo forest.
- We continuously monitor birdlife, seeking to identify critical bird-power lines collision areas in order to implement mitigation measures.

2x500 kV Transmission Line Charrúa – Ancoa (CHATE)

Since CHATE began operations by the end of 2017, this year was the first of continuous operation, and noise measurements were made during this period at sensitive points, which were related to the execution of maintenance tasks by pruning and / or cutting of vegetation, in addition to others with the objective of validating the background noise in rainy conditions. The results in both cases were within the limits set forth by the standard.

In relation to the protection of birdlife, campaigns were conducted to identify bird-power lines collision events, which has been consolidated by submitting the corresponding report to the SMA during the first quarter of 2019.

- We measured the noise generated during operational maintenance tasks and climatic factors (rain).
- We continuously monitor birdlife, seeking to identify critical bird-power lines collision areas in order to implement mitigation measures.

Diego de Almagro Transmission Line Project

The DATE construction phase was finalized by the end of 2018, managing the implementation of over 90% of the commitments related to this period.

The SMA was informed of the commissioning of the project during the month of January 2019, reporting on the corresponding completion of construction activities.

The submittal of reports to SMA is scheduled to finalize during the first half of 2019, which will demonstrate the fulfillment of the commitments during the construction stage.

REGULATORY COMPLIANCE

In terms of regulatory compliance, we regularized a total of 34 unauthorized cutting situations during the construction process, carried out by our contractor in 2018, which reached a total value of \$78,602,872.

It should be noted that all these processes respond to corrective plans we voluntarily report to the competent authority and the sanctions related to these actions will be borne by our Contractor as set forth in the agreement governing our relationship.

The corrective plan submitted to the Authority includes the reforestation of the total affected area.

5.2. Climate change management

Environmental management in the area of influence of each project includes activities promoting the efficient use of natural resources, and responsible management of emissions, discharges and waste.

5.2.1. ENERGY MANAGEMENT

Our energy consumption comes from two sources. On the one hand, comes from the consumption of fossil fuels used in diesel vehicles and the machinery of our operations, and, on the other hand, comes from the consumption of electricity required for the conduction of our activities.

We have used the methodology described in the ISO 14.064 international standard for the calculation of our carbon footprint, which sets forth the requirements for quantification, monitoring, reporting and verification of emissions and / or removal of greenhouse gases (GHG).

Results are shown in the tables below, using the calculation made in 2017 as baseline, which corresponds to the first time we conducted this exercise.

ENERGY CONSUMPTION		
Type of consumption	2017	2018
Consumption of fossil fuels (l)	29,157	59,816
Consumption of electricity (kW/h)	84,836 ¹¹	95,378

The increase in consumption of fossil fuels is mainly the result of the commissioning of the CHATE line, while the increase in electricity consumption is directly related to the increase of the company's personnel over 2017. To represent the latter, when dividing the energy consumption by the average number of workers for each period, the results are as follows:

CONSUMPTION OF ELECTRICITY PER WORKER (KW/H)			
Year	Worker median	Total Consumption	Consumption per Worker
2017	54	84,836	1,571.04
2018	63	95,378	1,513.94

The decrease in electricity consumption per worker is mainly the result of the implementation of an energy efficiency campaign which, by the installation of signage, sought to promote the responsible use of this resource.

Regarding emissions of gases to the atmosphere, this is the second year we calculated our carbon footprint in order to learn about the impact magnitude of our operations, which has enabled us to set forth a baseline for our energy management and enabled the design of mitigating actions.

We measure Scope 1, 2 and 3 emissions, which allows us to respectively learn about the degree of impact of our direct emissions, from the consumption of fossil fuels and gas, indirect, corresponding to the consumption of electricity, in addition to other indirect emissions from consumptions generated by business trips, transportation of personnel and other company activities.

11. This number relating to electricity consumption in 2017 was corrected with respect to what was indicated in the 2017 Sustainability Report and represents a restatement that emerged due to an error in the calculation for last year's process, which however was corrected in this report and will be the number on which the calculations will be made in the future.

The magnitude of our emissions was the following, according to type of scope:

CELEO REDES CHILE CARBON FOOTPRINT		
Type of Scope	2017	2018
Scope 1 (Kg CO ₂ e)	146,256	178,409
Scope 2 (Kg CO ₂ e)	28,598	39,935
Scope 3 (Kg CO ₂ e)	136,477	102,637
Total (Kg CO₂e)	311,331	320,981

• **Scope 1:** corresponds to Direct GHG Emissions from the consumption of fuel by own or organization-controlled vehicles and of the emergency generator set at the offices in Santiago.

• **Scope 2:** relates to Indirect GHG Emissions: Global electricity consumption at the work centers of the company.

• **Scope 3:** includes other Indirect GHG Emissions: Daily transfer of staff to work centers or business trips

The figures between 2017 and 2018 show differences that are explained, in the case of Scope 1, by the CHATE commissioning and the increase in the general operation.

In the case of Scope 2, the increase relates to the electrical interconnection which took place during 2017 and the variation in the emission factor that is informed by the National Energy Commission. This multiple represents a quantification of greenhouse gases emitted as a result of the various processes required for the generation, transmission and distribution of energy. In years prior to 2017, the emission factor for the SIC was 0.34 kgCO₂/kWh, but based on the electrical interconnection, the factor increased to 0.42 kgCO₂/kWh, since it includes power stations based on fossils sources which were not priorly included in the calculation.

Finally, the decrease in Scope 3 between 2017 and 2018 is the result of the correction of deviations in calculations from one year to the next, which were overestimated in 2017 and whose measurement was corrected in 2018.

When reviewing the results of our carbon footprint, we note that there was an increase in general terms, but we wanted to identify if this was really the case, we created a new index relating the value of our carbon footprint to the overall size of our operation, which we show in the table below:

ENVIRONMENTAL IMPACT ACCORDING TO OPERATION SIZE		
	2017	2018
Carbon footprint (Kg CO ₂ e)	311,331	320,981
Operation size (total km in operation)	454	506
Environmental impact according to operation size (Kg CO ₂ e/ km in operation)	729,76	634,35

We note a carbon footprint decrease based on these results, when we consider that we have increased the size of our operation and despite this, **the numbers reflect a 13% decrease between one year and the next.** This reduction was mainly the result of the change of our operation lights to LED technology, awareness campaigns to promote energy efficiency and the creation of the CeleoRecicla program and with it, the reduction of our waste.

We should also note that we include energy consumption of substations related to our operation in the measurement of our carbon footprint for the period 2018, which was not included in the measurements of the 2017 period.

In the case of the 2018 emissions, the details are shown below:

CELEO REDES CHILE CARBON FOOTPRINT 2018			
Type of Scope	(KgCO ₂ e)	(tCO ₂ e)	% emisiones
Scope 1 (Kg CO ₂ e)	178,409	178	56%
Scope 2 (Kg CO ₂ e)	39,935	40	12%
Scope 3 (Kg CO ₂ e)	102,637	103	32%

Distribution of Celeo

Redes emissions

(excluding transmisión losses)



39,22%

Scope

**1 Emissions
(Kg Co2e)**

43,76%

Scope

**2 Emissions
(Kg Co2e)**

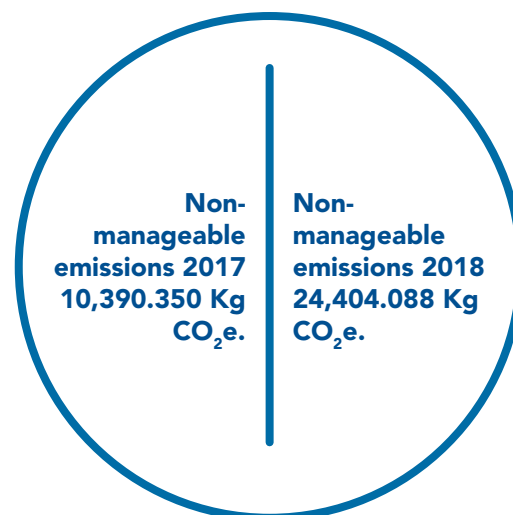
17,03%

Scope

**3 Emissions
(Kg Co2e)**

These results are accompanied by "non-manageable emissions" which have their origin in the loss of transfer of the conductor in the AJTE and CHATE lines and are a consequence of the amount of energy transported by the lines over which the company does not have any impact in its management

As in previous figures, the difference between 2017 and 2018 is largely the result of the commissioning of CHATE.



5.2.2. EMISSION OF ATMOSPHERIC POLLUTANTS

In addition to the previous figures, we hereby present the gas emissions from fixed sources and mobile sources, which were measured for the first time in 2018 using a calculation estimate.

The methodology used for quantification is that described in Supreme Decree DS No. 138-2005, prepared by the Department of Health of the Government of Chile and, like the carbon footprint, this estimate only includes the operation and maintenance of facilities of Celeo Redes, but not their construction.

The distribution of atmospheric pollutants from the activities developed by Celeo Redes during 2018 is distributed as shown below:

DISTRIBUTION OF FIXED AND MOBILE ATMOSPHERIC EMISSIONS		
Type of pollutant	Description	Total
PTS	Total Suspended Particles	0.87 kg
MP ₁₀	Coarse Breathable Particulate Material (diameter greater than 10 microns))	89.6 kg
MP 2.5	Fine Breathable Particulate Material (diameter less than 2.5 microns)	0.11 kg
CO	Carbon Monoxide	5,775 kg
NO _x	Nitrogen Oxides	819.4 kg
VOC	Volatile Organic Compounds	0.98 kg
SO _x	Sulfur Oxides	48.9 kg
NH ₃	Ammonia	5.4 kg
Benzene	Benzene	0.003 kg
Toluene	Toluene	0.001 kg
PCDD/PCDF	Dioxins and Furans	3.E-12 kg
Hg	Mercury	8.E-06 kg
HCT	Total Hydrocarbons	187.7 kg

5.2.3. RESPONSIBLE WATER USE

We are a company aware of the importance of using water resources responsibly. Our facilities are supplied with water from the capacity installed by utility companies.

In 2018, we recorded a consumption of 1,386.43 m³ located at the Santiago Office, the Maintenance Base in Talca, and in the Alto Jahuel, Ancoa and Charrúa Substations. DATE consumption is not included since the project was not fully operational until December 2018.

5.2.4. SPILL AND WASTE MANAGEMENT

The construction and operation stages of our assets generate spills and waste that must be handled responsibly and in accordance with current environmental regulations, depending on whether they are hazardous or non-hazardous.

Spill and waste management is carried out as follows during the construction phase:

Liquid spills

Produced by the use of chemical toilets and the cleaning of mixer trucks, which contain remains of unused asphalt. Both residues are disposed of pursuant to the stipulations of current regulations.

Domestic solid waste

These are transferred to the working area, where they are removed by the municipal garbage collection service and disposed of at a sanitary landfill.

This waste is handled pursuant to the indications provided by the Waste Management Policy. All workers are trained in the contents and responsibilities detailed in the policy, and are involved in its management.

As domestic waste, they are removed by the municipal garbage collection service. In addition, there are containers for the collection of plastic in the Maintenance Base of Talca, which are recycled at clean points in the area. Similarly, there are containers for recycling paper at the Santiago offices, which are removed by the San José Foundation.

During 2018, we recycled a total of 126.2 kg of paper, a figure lower than that reached in 2017, which was 690 kg. The significant decrease in the amount of reams recycled between 2017 and 2018 relates to a paper reuse

campaign, which reduced the final recycling disposal, extending the life of the paper used. Also, regarding the paper recycled weight during 2017, an elimination of historical documentation from the warehouses of our company that year is the reason why the figure of that year falls outside normal parameters.

Regarding the consumption of paper, during the year 2018 a total of 359 reams of paper were purchased. The consumption divided by the average number of workers of the last two years is presented in the following table:

PAPER CONSUMPTION MANAGEMENT			
Year	Number of reams purchased	Average of workers	Consumption of reams per worker
2017	317	54	5,8
2018	359	63	5,7

Non Hazardous Industrial Waste

These are temporarily stored in specially designated areas. By the end of the construction, a specialist company is in charge of the removal.

Hazardous Industrial Waste

These are oils, lubricants, paints, solvents, and personal protection elements contaminated with these elements, which are stored in a temporary metal container until certified companies remove them.

INDUSTRIAL WASTE MANAGEMENT (KG)			
Type of Waste	Elimination method	2017	2018
Hazardous	On-site storage	0.5	60
No Peligroso	Recycling	72	181
	Landfills	2,040	3,097

The significant increase in the case of hazardous industrial waste relates to a dielectric oil drum, which was used in tests to the reactors inside substations, as part of maintenance in order to detect eventual failures.



CELEO RECICLA INITIATIVE

We launched this initiative in 2018, which aims to promote the "3R" rule: Reduce, Reuse and Recycle. Celeo Recicla was implemented at all company's work centers and it sought to increase our efficiency in environmental terms through a communication campaign. The campaign promotes:

• REDUCING:

Make an efficient consumption of products and packaging.

• REUSING:

Give a new idea to the things you already used. Bottles, bags, cardboard boxes and even printed paper have several uses.

• RECYCLING:

Lost of the materials we use can be recycled. This depends on our actions.

The campaign also includes monitoring and publication of monthly consumption at the various work centers, seeking to improve performance month over month.



We contribute to this ODS through an environmental management focused on the continuous care of our environment and proactive management of our energy consumption and measurement of the carbon footprint of our operations.





6.1. Our team

MATERIAL TOPIC: PEOPLE MANAGEMENT

Why is it relevant?

The performance of our business is built on the commitment and professionalism of all those who make up Celeo Redes Chile. Today, we have a human team aware of their role and contribution to the overall result of our operation and, from that, we consolidate a work culture where commitment and operational excellence are elements key to our day to day.

By this management we seek to align workers with our seal, providing opportunities for labor development, along with tools which allow them to continuously improve on their duties.

Therefore, we have a **Social Management** pillar within our Sustainability Policy, where our commitments are made explicit to our stakeholders, the center of which is the generation of ethical and lasting professional relationships.

Whom is it important to?

Collaborators and shareholders.

How do we manage it?

At Celeo Redes Chile we have grown significantly in recent years, both in the size of our operation, as well as in the number of employees who work day by day in the various projects. Given the current size, the need to have a unit on People Management structuring the various initiatives our talents require became evident during 2018. We began the process of creating the unit in October of 2018, materializing it by early 2019.

Adding to the above, we have development opportunities for our team since the past few years, which has allowed us to have better prepared collaborators to face the challenges we have assumed as a company in addition to attracting new professionals. Thus, our people management comprises talent education, training, attraction and retention and performance evaluation processes, among others.

This set of activities has had a positive effect in the consolidation of our know-how and in the maturation of our operational model, since we have increasingly

better trained teams, cohesive and oriented towards a common goal.

We are a team committed to being a contribution to the domestic electricity sector by the use efficient and responsible processes. Our organizational culture is based on the holding of high standard job security, a governance based on ethical behavior, the provision of opportunities for professional development, and transparent relationships with our stakeholders.

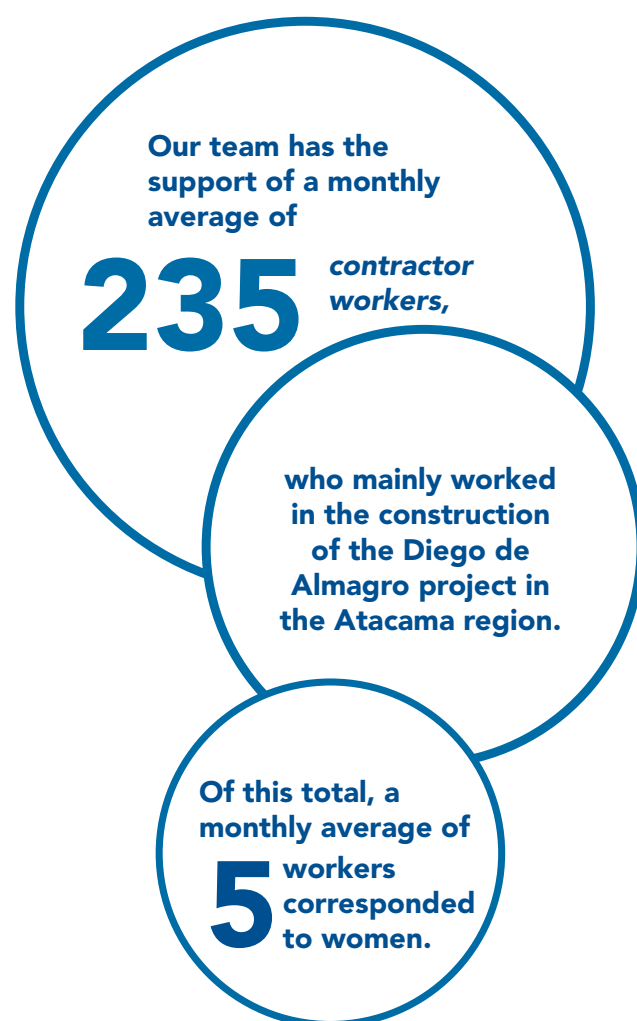
As our Sustainability Policy points out in its **Social Management** pillar, we work for a Social environment based on professional relationships under an ethical, transparent and long-term standard. In this context, as regards to our workers, our daily operation is carried out under a framework of respect for freedom of association, recognition of collective negotiation rights, elimination of any form of forced, compulsory labor and child labor and any form of discrimination among our team. Although we do not currently have unions, we maintain open relations among the members of our team, of respect and mutual collaboration.

In 2018, we appointed people responsible for the surveying and custody of information related to our workers and contractors, at each work center. In this fashion, and month after month, we collected information, validated it and consolidated it.

Our team was composed of 64 people, of which 89% are men and 11% are women. All perform their duties under full time.

	SITE		CENTRAL OFFICE	
	N°	%	N°	%
Men	31	97%	26	81%
Women	1	3%	6	19%
Total	32	100%	32	100%

DISTRIBUTION OF WORKERS BY REGION		
Operations	Total N°	Percentage
Región Metropolitana	32	50%
Región de Atacama	4	6%
Región del Maule	26	41%
Región del Biobío	2	3%



We are a young company and that shows in the distribution of our collaborators according to seniority. Shows that 60% of our staff has less than 2 years at our company. This is related to the growth needs arising to the extent that our projects enter operation stages, in addition to the continuous growth that has characterized us.

**Geographical
distribution of
the Celeo Redes Chile
Limitada staff**

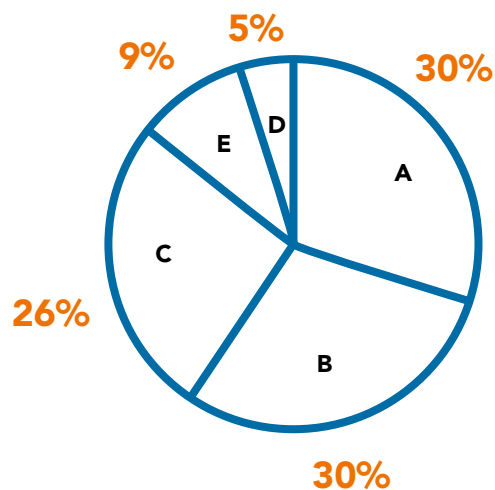
3%
**Región
del Biobío**

6%
**Región de
Atacama**

41%
**Región
del Maule**

50%
**Región
Metropolitana**

**Staff Distribution
per Service Length**



- A** Less tan 1 year
- B** Between 1 and 2 years
- C** Between 3 and 4 years
- D** Between 5 and 6 years
- E** 7 Years and mores

The diversity in our teams also manifests itself in their country of origin. This year we have a larger number of colleagues from other countries, who have enriched our practices by sharing their professional experience in the electrical field abroad. Thus, today we have eight Venezuelan professionals and one professional of Spanish origin, reflecting the multiculturalism that characterizes our company.

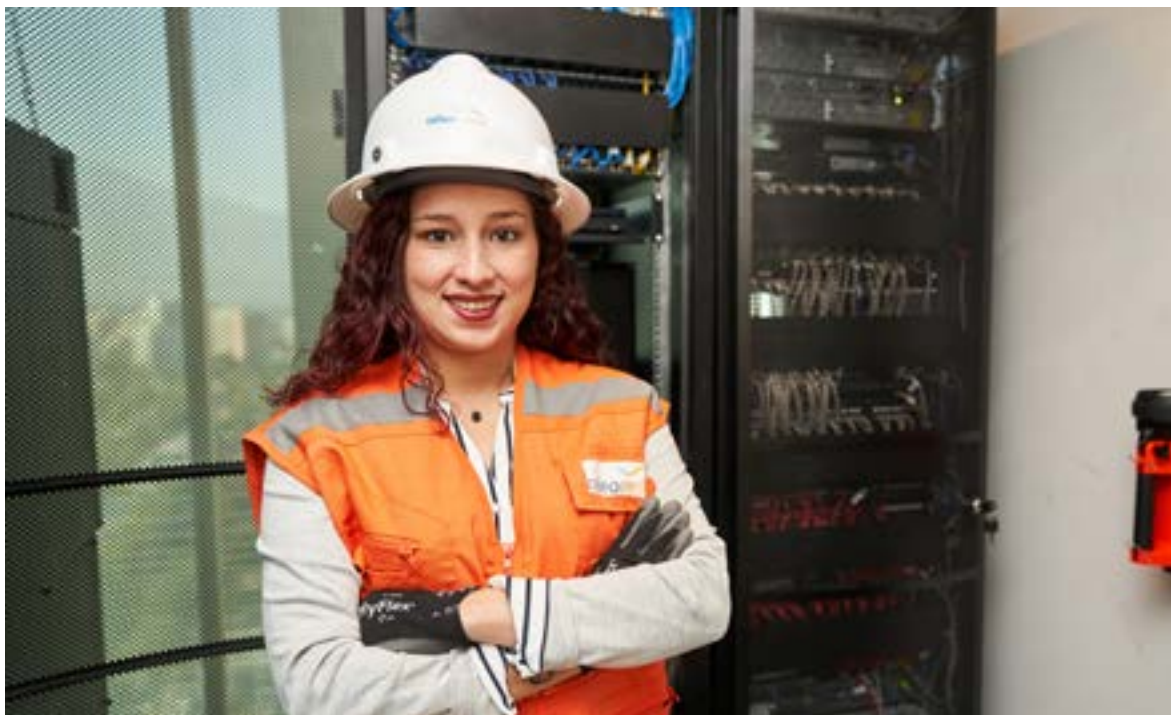
In terms of **new hires and job rotation**, in 2018 we hired 23 people, four women and 19 men, who are between 24 and 51 years of age. Of these professionals, ten joined the team in Metropolitan Region, while eight joined the work in the Maule Region, and five did so in the operation of the transmission line in Diego de Almagro.

On the other hand, a total of 13 people left the organization, nine men and four women, reaching a **turnover rate of 16.8%, similar to the number presented in 2017, which was 15.3%.**

Regarding **mobility**, there were two cases in 2018 in which new jobs were filled with internal candidates, who started their new positions as of January 1st, 2019 in the areas of Projects and Quality, Environment and Health and Safety. Added to the above, we added one professional in the MAC unit, who had previously fulfilled an internship position at our company.



Accounting analyst, Maule Area
Maintenance Base.



6.2. Work at Celeo Redes: one day as a substation assistant

The work conducted by substation assistants is of the utmost importance to ensure the proper operation of our assets, since their work is focused on inspecting the substation facilities and monitoring the status of the transmission line. Thanks to their work, it is possible to promptly attend any event that could impact our operations' continuity.

This position operates under a shifts system, which provides continuity to the monitoring of our facilities in the Charrúa, Ancoa and Alto Jahuel substations. There are two assistants in each of these substations, who belong to the maintenance team of the Maule area.

Below, we explain what a day of work by our colleagues Ricardo Inostroza and Renato Catril is, assistants of the Charrúa substation, located in the district of Cabrero, 256 km from Talca. This place is the end point of the CHATE transmission line, which runs 198 kilometers between the Ancoa substation, located in the district of Colbún, ultimately reaching Charrúa.



They tell us that their workday begins with the commute to the substation on the route Monte Águila - Cabrero. Upon arrival, they coordinate the entrance to the 500 kV yard with the team of the company owning access.

"Upon entering the control room, a visual inspection is made of all control cabinets and equipment in the room, in order to verify the existence of alarms in the protections, controllers, communications or auxiliary services and finally, as instructed, before 09:00 AM, the shift manager is informed about the status of alarms or events at the substation."

Having reported the status of the substation to the shift supervisor, their task is to complete the safety documentation for the second inspection of the day: the substation yard equipment. By this task, all elements related to the substation are logged, starting with the values of electrical variables (voltages and currents) indicated by the cabinets located in the control room. Among other elements to be inspected are:

- Temperature.
- Oil levels.
- Presence of rust and oil leaks.
- Primary connections of the No. 3 reactor bank.
- Lightning rod, where the amount of discharges is verified, in addition to any abnormality the equipment may show.

Another key element to check is the status of reactors, checking their connections and oil levels, power switches, SF6 gas levels, number of operations, loaded spring, etc.

In addition, the status of the breakers is also recorded, checking that all their parts are in optimal conditions, and that there is appropriate contact and isolation.

Upon this check, their work consists in the inspection of the transmission line and the final activities report.

"At the line terminal we look at each phase: that conductors are well connected, that there are no strange objects that could interfere, that the insulators on the collectors are in good condition, that their signs are in place in the high and low structures, that there are no loose bolts, etc. Once the daily inspection is complete, we proceed to load all the data in our INFOR maintenance management software."

Begin each day with this inspection routine, as it is part of the work safety and asset care management. By actions such as those conducted by our substation assistants, we seek to prevent all types of incidents, identify gaps and add improvements ensuring the sustainability of our operations.

Once the information has been collected and the data has been uploaded to the INFOR platform, assistants commence their work in the Protection, Control and Communications (PCC), Primary Equipment (EE.PP.) and Supervision, Control and Data Acquisition (SCADA) areas, providing support to task managers. This support may consist of performing preventive or corrective maintenance to the substation facilities, adding to the work teams who visit the substation from the Talca Maintenance Base.

There are occasions where the substation assistants must assume a work head role in maintenance or other activities, either with own personnel of Celeo Redes or with contractor companies. In these circumstances, they must exercise the leadership and professionalism that characterizes us as a company, ensuring compliance with our standards and the safety of all involved.

"According to the designation of our direct head, it corresponds to us to participate as task heads in maintenance activities for new implementations. Among these designations, it is up to us to receive, guide and provide safety induction to visitors from various origins at the substation, in this sense, our work takes great relevance since we are the first visible face of Celeo Redes in the field. "

In parallel to the activities described, the substation assistants provide relevant information and technical support to any unit or collaborator of our company. Thus, the work continues through the development of administra-

tive functions, such as completing safety documentation, making various types of reports of work performed, uploading them to the server or INFOR EAM, logging photographic records, among others.

Towards the end of the day, the substation assistants conduct a final workplace inspection, leaving everything in order to prevent any risk situation, as well as for the next day to start with the efficiency we look for in all our processes.

"In the afternoon, we made a final visual inspection of the reactors bank to check the temperatures again and for oil leaks, so that we can quickly react to any abnormality always taking all the necessary safety measures and taking care of our integrity, as well as the facilities'."

These testimonies show us the relevance of the work of substation assistants, who play a crucial role in the proper operation of our assets. In their work, excellence is based on the proper execution of work guidelines, team work, and a safety and self-care culture.

"It is of the utmost importance that we have good relations among colleagues, that there is trust, respect between team members and everyone visiting our facilities, since we are the house hosts and we must be an example for all, in addition to having a good attitude for any request needed and we can perform our tasks in the best way. "





6.3. Health and safety

MATERIAL TOPIC: HEALTH AND SAFETY OF WORKERS

Why is it relevant?

Respect for life and the integrity of people is the most important value in everything we do. Our operation puts the health of all working at our company, workers and contractors, above any goal or objective. The tasks required to operate our assets imply a series of risks for the health and safety of workers and due to that reason, it is a priority and a gravitating task in the sustainability of our business mission.

Whom is it important to?

Shareholders, Regulating Authorities, Collaborators.

How do we manage it?

Given the relevance of this topic for our business, **Health and Safety at work** is one of the pillars of our Sustainability Policy. Adding to the above, we include the concern for the health and safety of our teams through continuous training that begins with onboarding training received by each employee joining our company or performing duties as a contractor in our operations. A self-care culture is promoted in the management of work teams, emphasizing the detection and timely reporting of situations or behaviors that may put people at risk. This has allowed to continuously add improvements to our management.

Respect for life and the integrity of people is at the center of everything we do. Situations or behaviors that could place own or contractor workers at risk are under no circumstances justified.

The nature of the electricity business requires high safety standards, so all our activities are conducted under strict protocols accounting for the unparalleled value of the health and safety of our team. Our policies and procedures are based on a preventive approach, which has proven to be highly effective, as it is actively promoted and reinforced by constant training instances.

The approach we have established is based on a self-care culture and the supply of tools so that each worker can detect, prevent and report potential situations or behaviors that could compromise people's integrity.

In 2018, we suffered the first work accident in our history. A colleague from the maintenance unit, in tasks related to the transfer of structures, suffered trapping of the ring finger of his left hand when he accommodated a metal piece, resulting in the fracture of the finger and receiving 38 days of medical leave. From then on, we work hard to reinforce the culture on safety, we continue doing activities to promote self-care, with a new objective ahead: overcoming the 1,060 days without accidents we had prior to the injury of our colleague.

Our maintenance
team consists of
29 employees,

who are organized
into administrative
staff, primary teams,
transmission lines and
electrical rooms.

The good results obtained account for the workers' commitment to the identification and reporting of risk situations and behaviors, as well as the effectiveness of the continuous reinforcement activities through the training in health and safety at work we conduct throughout the year.

Among these activities, we have:

- Occupational Risk Prevention Campaigns.
- Compliance audits for both own staff and contractor companies.
- Continuous supervision, aimed at creating and strengthening a safety culture.
- Periodic safety meetings, aimed at sharing good practices and presenting proposals to improve occupational health and safety management.
- Recognition of workers with outstanding performance in Health and Safety.

An important milestone in 2018 was the organization of the **VI Workshop on Risk Prevention of Electric Utilities in Chile**. This was held on August 23rd in the city of Talca and convened leaders and heads of health and safety of the main transmission and distribution companies in our country, with the aim of addressing the challenges for the sector in this matter, innovation in risk prevention, best practices and treatment of critical risks in our activity.

The workshop was eight hours in length, and counted, among others, with the participation of **Mario Sepúlveda**, mining leader of the Atacama 33, who spoke to us about the relevance of good leadership. We also had the opportunity to listen to **Pablo Bosch**, Director of the Bosch company, who reminded us of the importance of effective management and empathy and shared some successful cases in occupational health and safety.



Nuestro desempeño en materia de seguridad se recoge en las tablas presentadas a continuación:

ACCIDENTABILITY RATES OF WORKERS OF CELEO REDES CHILE			
Index	2016	2017	2018
Hours worked	98,604	108,369	130,868
No of accidents with leave	0	0	1
Days lost	0	0	38
Workers average	44.58	48.33	63
Incidence index ¹	0	0	15.9
Frequency index ²	0	0	7.6
Severity index ³	0	0	0.3

1 (Number of accidents with sick leave / Average number of workers) x 1.000

2 (Number of accidents with sick leave / hours worked) x 1.000.000

3 (Number of days lost / hours worked) x 1.000

In 2018, our own workers logged a total of 130,868 hours worked, recording the aforementioned accident which resulted in the 38 lost days we registered as a company this year.

With regards to contractor workers, these are strategic allies of our operation, so their health and safety are also priority aspects. We seek to transfer good practices and lead by the example in each project, to avoid behaviors and situations that may put the integrity of workers at risk.

**94% of our workers
are represented in
Work Health and Safety
Committees**

Based on the above, we conducted two contractor audits during 2018, verifying the compliance related to project development, health and safety conditions for the workers, prohibition of child labor, discrimination, freedom of association and forced labor in the field. The result of the process was completed without findings in these matters.

Regarding the health and safety performance of our contractors, in 2018 there were no accidents including sick leave.

ACCIDENTABILITY RATES OF CONTRACTOR WORKERS FOR CELEO REDES CHILE			
Index	2016	2017	2018
Hours worked	680,022	1,251,186	540,857
Nº of accidents with leave	12	16	0
Days lost	456	364	0
Workers average	381	569	253
Incidence index ¹	31.5	28.12	0
Frequency index ²	17.65	12.79	0
Severity index ³	0.67	0.29	0

1 (Number of accidents with sick leave / Average number of workers) x 1,000

2 (Number of accidents with sick leave / hours worked) x 1.000.000

3 (Number of days lost / hours worked) x 1,000

The second joint committee was set up in the company in April 2018, at the Maintenance Base in the Maule area. This committee joined the central offices of Santiago, which on January 29th, 2018 held elections to renew its representatives, incorporated for a new period on March 5th of the same year.

Both committees represented 60 workers of the company during 2018. Regarding colleagues who lack a formal representation on a committee and who correspond to the staff who works at the Illapa and Cumbre substations, in the Atacama area, they have the continuous support and concern of both the CMASS unit, an expert in risk prevention and the joint committee of the Maule area.



We contribute to this ODS with our policy and safety practices which are aimed at meeting our goal of "0 workplace accidents". At our company, no decision or productive objective is above life and the integrity of our workers, and we proactively seek to share these practices with contractor workers.

6.4. Training and development of our team

6.4.1. ACTIVITIES FOR PROFESSIONAL DEVELOPMENT

As our presence in the domestic market grows, we need highly trained work teams to operate today's assets and meet the needs of tomorrow. At Celeo Redes, our workers' training and development activities strengthen the company's efforts to achieve operational excellence, while promoting talent attraction and retention.

Activities we offer for the development of our team have a double purpose. On the one hand, they seek to strengthen our know-how and, on the other hand, to provide our employees with the tools they need to perform adequately in their jobs.

In 2018, our offer of training programs focused on three topics: risk prevention, operational issues, and organizational culture. Among these, we can highlight the following trainings:

TRAINING 2018	
Training	Number of Participants
Use of rescue equipment in heights	19
Civil and criminal liability	26
First Aid	19
Chainsaw operators	11
Use and handling of fire extinguishers	26
4x4 driving	3
Working at heights	7
Leadership	30

We also conducted inductions related to the CMASS SIG, with the aim of strengthening and consolidating our Integrated Management System for external audits and certification of our processes, which took place during the second half of 2018.

As we grow and consolidate our team, we must strengthen our human resources management. For the above purpose, we planned the creation of the People Management unit in 2018, which from 2019 on will centralize health and strategic tasks such as knowledge management, work development, mobility, and talent attraction and retention.



In 2017, we developed a new Performance Evaluation Model, which was implemented as a pilot in 2018, evaluating all members of our company. The new People Management Unit will have the responsibility of continuing the development of this tool and manage its results.

100% of our workers received performance evaluations in 2018.



6.4.2. WORKING RELATIONSHIPS

Maintaining a positive work environment is a necessary condition to work in a team with respect and commitment. Thus, ensuring transparent and cordial relations between the company and its employees has been a part of our management, encouraging the creation of spaces for continuous dialogue.

For this purpose, we have developed several communication channels allowing us to socialize our guidelines, strengthen our organizational culture and gather expectations and opinions from our workers. Among these we find:

- **Mass emails**, which report on events, activities, results or any contingency.
- **Stationery**, used in awareness campaigns, such as World Water Day, Environment Day or campaigns preventing the use of kites in the vicinity of the lines.



- **Awareness days** organized by the administration around issues relevant to our operations.
- **Brief lectures**, held in the five minutes prior to the conduction of asset maintenance activities, led by the supervisor in charge and executed by any member of the team.
- **Monthly safety lectures for operational units**, which analyze the safety performance of the various operations.
- **New staff onboarding training**, which is part of the onboarding process for new employees, addressing aspects of our operations, job safety, presentation of the CMASS SIG, and duties related to the position.



- **Coordination meetings**, which are held by the CEO and the managerial staff, and between each manager and their work team, reviewing the progress status of committed goals. Similarly, the Maintenance Base also holds weekly meetings, on the first business day of each week.
- **E-mail**, where workers can write to transparenciachile@celeoredes.com to convey their concerns regarding ethics and crime prevention in a confidential manner. For matters related to the operation of our CMASS SIG system, workers can write to cmass@celeoredes.com.
- **Information screens at our central offices**, which allow for the communication of weekly information related to company policies, news, birthdays, projects and other relevant events, using digital, colorful and eye-catching designs, which allow reaching a greater understanding of the spread.
- **Sustainability Policy Pocket Book**, which is handed to all members of the company, as well as to other stakeholders such as clients, contractors and suppliers, informing on the principles and guidelines we commit to, under our sustainable standards.



Added to the above there are other communication channels, which correspond to dissemination instances on general information of our company and which is also accessible to our workers.

- The company's **website**, which provides relevant information to all stakeholders, on our mission, vision, values, policy, annual reports, financial statements, among others, providing these groups with a contact and questions channel for any request sought.
- **Sustainability Report**, a consolidated document in which all of our stakeholders are informed about quality, environmental, safety and health, social and governance management carried out during the aforementioned year.
- **Financial Report** which informs all stakeholders on the consolidated annual accounts of the fiscal year of our business.



The management of our teams also includes recreation activities, which contribute to the working life quality of our people. In 2018, we conducted the following activities: Consider photos for these activities

• Commemoration of Women's Day

On March 8th, International Women's Day was commemorated both at the main offices and at the Maintenance Base in Talca. On the occasion, we acknowledged the work and contribution all our female colleagues make to our operations.

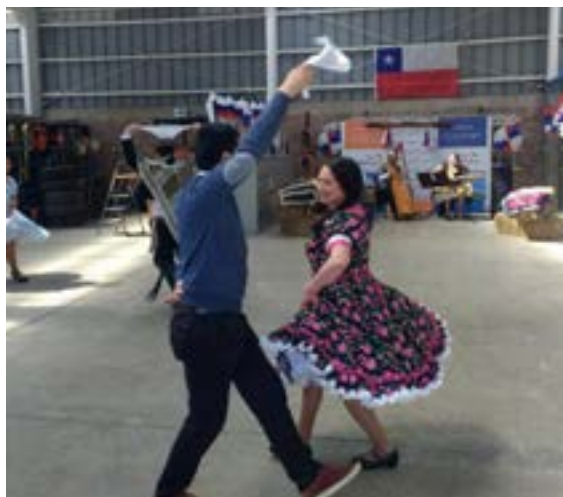
• Children's Day Celebration

On August, children of our collaborators were celebrated both at the main offices and at the Maintenance Base in Talca. The day featured activities specially designed for them, such as games, contests and dances. All collaborators were invited to participate in the activities prepared.



• Independence Day Celebration

On the occasion of our National Holidays, our colleagues at the Alto Jahuel, Ancoa and Charrúa substations shared lunch at their corresponding work stations. Whereas the Santiago office held a lunch meeting with our colleagues from Elecnor Chile. For its part, the Maule Maintenance Base team shared a barbecue.



The involvement of collaborators in celebrations this year 2018 was 90%, there being a remaining 10% who, due to turn-taking, could not participate on this occasion.

• Participation in Nissan Rock 'n' Roll Half Marathon

The Joint Committee promoted the participation of collaborators in version 2018 of the Nissan Rock 'n' Roll Half Marathon Santiago, as a way to encourage physical activity out in the open. The committee covered the costs of the participation for 11 workers who signed up for the activity.



• Year-end Celebration

As every year, we celebrate the end of the year in an activity that gathers the workers of all our operations, where there was 80% involvement. Our CEO welcomed us, making a brief summary of what the year 2018 meant for the company.



• Sports club

The first meeting for the creation of our sports club was held in Talca, on February 27th, 2018, with the aim of promoting sports, family and social commitment among our workers. This fact is part of maintaining and improving good relations between coworkers, as well as sports and recreational activities which allow us to bring our families to the organizational environment of our company, experiencing that **"we are all Celeo"**. Among the activities conducted by the sports club CELEO REDES during year 2018 we note:

- Cueca class, August - September 2018.
- World Cup Trivia Brazil 2018 - Final Champions League.
- Support to Children's Day Celebration
- Support to September 18th Celebration for officials.
- Mini Football games matching companies in the sector.
- Gifts to partners on important dates,
September 18th, Christmas.
- Family day by the end of the year.



6.5. Relations with the community

MATERIAL TOPIC: COMMUNITY DEVELOPMENT

Why is it relevant?

At Celeo Redes we are convinced of the importance of community relations to ensure the development of our activities in the long term. We want to be a contribution to the communities of our area of influence through the management of our potential socio-environmental impacts and the development of activities enabling the generation of bonds of trust

Whom is it important to?

Collaborators, Communities.

How do we manage it?

We have developed specific activities for each of the contexts where we operate, which are designed to make us known among the communities and, at the same time, gather their concerns, seeking to lay the foundations of a solid relationship based on transparency and trust. As a result, we have implemented social programs focused on environmental education and sports development of the communities in our area of influence.

Along with economic, technical and environmental aspects, our long-term projection includes the impact our operations can have on nearby communities, in addition to the contribution we can make to their development.

In this regard, our relationship strategy is based on the creation of ties based on timely, close and transparent communication. Communicating in this fashion not only lays the foundations for a stable relationship, but also enables us to reach them promptly in case of operational contingencies that could impact their quality of life.

The development of the 2x500 kV Transmission Line Ancoa - Alto Jahuel gave us the opportunity to test an initial model for community relations. We systematized good practices and management learning based on this experience and we have sought to replicate successful practices in new projects, contextualizing them to the reality of each locality.

With these experiences, and facing the challenges we face in the short term, we developed our Community Relations Program (PRC) in 2018, which is reflected in the "Management with Interest Groups" procedure, initiative led by our headquarters in Spain and which will apply to both operations in Chile and Brazil. This procedure sets specific methodologies enabling us to identify our stakeholders and differentiate them according to their level of influence, in order to develop activities with social relevance. Among the actions included in this program is the implementation of the Early Citizen Participation (PACA) processes for the projects awarded in 2018.



We contribute to this ODS with early relationship initiatives with the communities in our area of influence. Our commitment towards them is oriented to let us know and learn about their needs, to jointly develop projects contributing to their well-being.

Under our Sustainability Policy, the PRC identifies the needs and expectations of stakeholders, their impact on projects, the development of strategies and determination of appropriate tactics, in order to effectively involve all stakeholders. The program includes a monitoring phase for relations with each stakeholder group, monitoring compliance with the commitments set with each and the development of activities.

The Sustainability Committee is the unit responsible for generating an annual report on compliance with these commitments, ensuring proper operation of the PRC.

The Community Relations Program (PRC) identifies ten interest group categories:

- Shareholders.
- Financial entities.
- Regulatory authorities.
- Customers.
- Suppliers.
- Contractors.
- Collaborators.
- Associations.
- Energy Sector.
- Community.

Within the community category, we find owners of land, neighborhood councils, municipalities, rural schools, and media. Specific actions are designed for each, seeking to inform, ask and/or involve depending on the nature of the bond and goals of the relationship.

With the identification of the diversity in communities with which we are related, today we better understand the social context of our operations, generating activities to let us know and share with those who live in our area of influence, creating a space for them to express their expectations and concerns about our operations.

We have created activities with social relevance as a result of this dialogue, that is, actions coherent with the needs and expectations of our neighbors. These activities are classified into four areas:

Support for research and innovation	Support for local education
We support research and innovation activities addressing socio-environmental issues.	We contribute to the improvement of teaching conditions for students from the communities near our operations.
Promotion of cultural development	Promotion of sports activities
We support activities that invite the revaluation, recovery and appreciation of the cultural heritage of our area of influence.	We contribute to the promotion of healthy living habits, through the development of sports activities.

6.5.1. ACTIVITIES WITH THE COMMUNITY IN 2018

Given the projects we have been awarded and our intention to continue growing, we know that we must relate to our environment from the beginning of our projects, presenting ourselves as a social actor of the territory that conducts itself with proactivity, transparency and leadership.

During 2018, we seek to grant continuity to the community projects we have been developing for some years. By being a young company, the activities we conduct are aimed at opening spaces to introduce ourselves and dialogue with our neighbors. Among these, we highlight the following:

• Solar Workshop

This is an initiative conducted at the Liceo Manuel Magallanes Medling in the district of Diego de Almagro, Atacama Region. The workshop is organized by the Ruta Solar Foundation, a non-profit institution seeking to provide students with innovative experiences that promote a solar culture. The activity aims to make students aware of the world of energy, recycling and innovation, by participating in a solar car race. The activity gathered 80 students who study between 5th and 8th grades.

• Bird watchers club

It consists of an initiative developed in the Rural School of Corel, in the district of San Clemente, Maule Region, which seeks to promote learning about birds by theoretical classes (identification keys and migrations) along with practical

activities. Students receive an observation kit, including a compass, binoculars, whistle, flashlight, credential and bird guide. With these tools, they learn to recognize birds and implement learning from the theoretical module.

During 2018; 13 students were gathered, and an award ceremony was held, which was attended by representatives of the Regional Government, CONAF, the Municipality and the Community. This activity has been widely valued by the school community, since, as part of their curriculum, it contributed to the school obtaining environmental certification.

• Kites campaign

In order to raise awareness in the community about the risks related to the use of kites near power lines, we conducted a strong campaign during the month of September by the delivery of flyers and posters promoting preventive measures to prevent accidents to people.

• Volunteering activities

The first volunteering activity of our company was conducted in 2018, which took place in the Rural School of Corel, where a group of collaborators were involved in the construction of trails and the implementation of a lookout. By conducting volunteering activities, we seek to be a part of the projects and wishes of the community, going beyond the financing of the needs detected by the neighbors. Thus, in the construction project of the trails for this school, we were involved along with the teacher, representatives and students.







Through our initiatives to support local education, we contribute to this ODS. Currently, we have supported the improvement of infrastructure and developed educational lectures on energy issues at the School of Huilquío - El Cerrillo and Corel. The creation of the Bird Watchers Club and the development of the "The great world of energy" game were added to the above, which are activities supplementing the educational experience of the students of this school.



We contribute to this goal starting from offering job opportunities to workers in the areas where we operate and through initiatives for community development we have prepared.

A large, light blue, stylized number '7' graphic that serves as a background for the section header. It has a thick horizontal top bar and a diagonal stem that tapers slightly towards the bottom.

Commitments and challenges

7.1. Commitments from previous years

In a continuous commitment to sustainability, we conduct actions contributing to the support of the country's electrical development, improve our performance, the relationship with our stakeholders and the impact on the environment, every year.

In the same operating fashion as our CMASS SIG Integrated Management System, the sustainability commitments we evidence in this document have allowed us, since 2016, monitoring the progress we are making in this area. Since we are a young company, each commitment has allowed us to plan our relationship with the environment in the short, medium and long terms, which contributes to the sustainable growth of our business.

The following table shows commitments we made in 2016, and the results we obtained thanks to the work conducted in 2017 and 2018.


STATE OF PROGRESS AND FULFILLMENT OF OUR CHALLENGES			
SCOPE	CHALLENGE RAISED IN 2016	COMMENTS	STATUS BY THE END OF 2018
Environmental	Consolidating preventive environmental management throughout the entire operating chain.	No comments	100% completed
	In relation to the SIG implementation process, which includes the ISO 14001: 2015 environmental standard, we will seek to strengthen the progress of 2017 and begin the processes related to environmental training and auditing.		
	Preparation of a "bird guide" that will be presented to the workers of the company, as a material for awareness and education of birds present in the impact areas.		
	Implementing a CO2, water consumption, energy and waste generation measuring system.		
Business	Increase profitability of assets and continue on the search for new sources of income.	No comments	100% completed
Social	Evaluation and impact assessment to be conducted in 2017 around each of the communities surrounding the Ancoa and Charrúa substations, in order to begin work roundtables for greater collaboration.	<p>SThe strategy to achieve greater collaboration was redefined, for example, by collaborating with the Panimávida fire brigade, in the district of Colbún, located in the area where the Ancoa substation is placed.</p> <p>Regarding Charrúa, although we had some local schools to present the projects we already have successfully implemented, we did not get confirmation to carry out the activities.</p>	In progress
	Development of a program of environmental workshops with communities presenting how we measure our impact and recommendations for conservation and interaction with local flora and fauna.	Los talleres ambientales a las comunidades se han desarrollado principalmente en la zona del Maule. Durante el 2019 esperamos poder extenderlo a todas las zonas que recorren nuestras líneas.	In progress

STATE OF PROGRESS AND FULFILLMENT OF OUR CHALLENGES

SCOPE	CHALLENGE RAISED IN 2016	COMMENTS	STATUS BY THE END OF 2018
Operational and occupational safety	The main and greatest Celeo Redes Chile challenge is to maintain the "zero accidents with lost time" objective, for which we permanently work improving all areas.	We can report that in 2018 there was a single health and safety event, which occurred at the Maule Zone Maintenance Base, where a worker suffered a minor injury, consisting of the trapping of the ring finger of his left hand when accommodating a metal piece of a structure, resulting in the fracture of the finger in question and receiving 38 days of medical leave.	In progress
	In relation to the GIS implementation process, which includes the OHSAS 18001: 2007 Occupational Health and Safety standard, it seeks to consolidate a "preventive culture" within the organization. In this fashion, and just as in environmental, the processes of preventive training in safety and auditing will begin in 2017.	This year, thanks to the effective implementation of our CMASS SIG Integrated Management System, we obtained triple certification in the ISO 9001 Quality, Environment (ISO 14001) and Health and Safety (OHSAS 18000) standards, attesting for our ability to act correctly and the potential we hold to continue contributing to the domestic electricity sector. This result is the product of several training instances in safety issues and internal audits for gap detection and management.	100% completed
	Incorporation of a Joint Committee on Health and Safety at the Maintenance Base in Talca..	The Health and Safety Joint Committee at the Talca Maintenance Base was set up in April 2018, which was held eight times during the year.	100% completed

STATE OF PROGRESS AND FULFILLMENT OF OUR CHALLENGES			
SCOPE	CHALLENGE RAISED IN 2016	COMMENTS	STATUS BY THE END OF 2018
Corporate	Seeking to maintain and improve operational continuity over the requirement of the technical standard.	In 2018 we obtained certification under ISO 9001: 2015, 14001: 2015 and OHSAS 18001: 2007 in December 2018.	100% completed
	By being a new management system and in the process of being implemented, year 2017 for the SIG represents the great challenge of establishing itself in the organization as an effective and friendly tool.		
	For this purpose, it will be essential to ensure the completion of the implementation phase during the first quarter and addressing doubts the procedures implementation may generate in the organization in a timely manner between the months of March and June.		
	Along with the aforementioned, we hope to start the training and audit processes in 2017.		
	Maintenance base: By 2018, the company has the challenge of opening a similar office in Diego de Almagro.	Progress was made in its development. It will be operational by the second half of 2019.	100% completed
Transparencia	En relación con el Modelo de Prevención del Delito (MPD): Un desafío importante es preparar su certificación, que permita demostrar la correcta implementación del modelo en la organización.	Our Crime Prevention Model was certified until 2019 by Prelafit Compliance. The certification has allowed improving the design of the model and its implementation, contributing to the assurance of the ethical behavior of those who are part of this organization.	100% completed
	Creation of a corporate website www.celeoredeschile.cl	In 2018, we developed a new corporate website, which will be available during 2019. The new portal allows us to provide information on our operations in a clear and transparent fashion, establishing an effective	100% completed

In 2017 and with a view to 2018, we proposed the following four challenges:

- 1  Maintain the "zero accidents" goal in our performance in health and safety at work.
- 2  Certify the CMASS SIG under the ISO 9001, ISO 14001 and OHSAS 18001 standards.
- 3  Publish the 2017 sustainability report, verified by an external company.
- 4  Develop and implement a sustainability strategy and clear actions in regards to community relations.

In 2018, we managed to successfully complete great challenges thanks to the work, commitment, effort and dedication of the entire company. Despite all this effort, our colleague's accident in January prevented us from reaching our most important goal, reaching zero accidents during 2018.

CMASS SIG achieved its ISO 9001: 2015, ISO14001: 2015 and OHSAS 18001: 2007 certification on December 7th, after a 9-day audit which included the visits of the audit team to the central offices in Santiago, to the Maintenance Base in Talca and the Ancoa and Alto Jahuel substations.

Our 2017 Sustainability Report was published on May 31st, 2018, verified by Ernst & Young Chile.

The Sustainability Strategy was developed and implemented as described in this Report.



7.2. Our challenges towards 2019

Taking on new challenges is the way we have to keep our motivation and innovative spirit intact. Facing each challenge, we seek to respond with the efficiency and professionalism that have characterized us since we began our operations in the country.

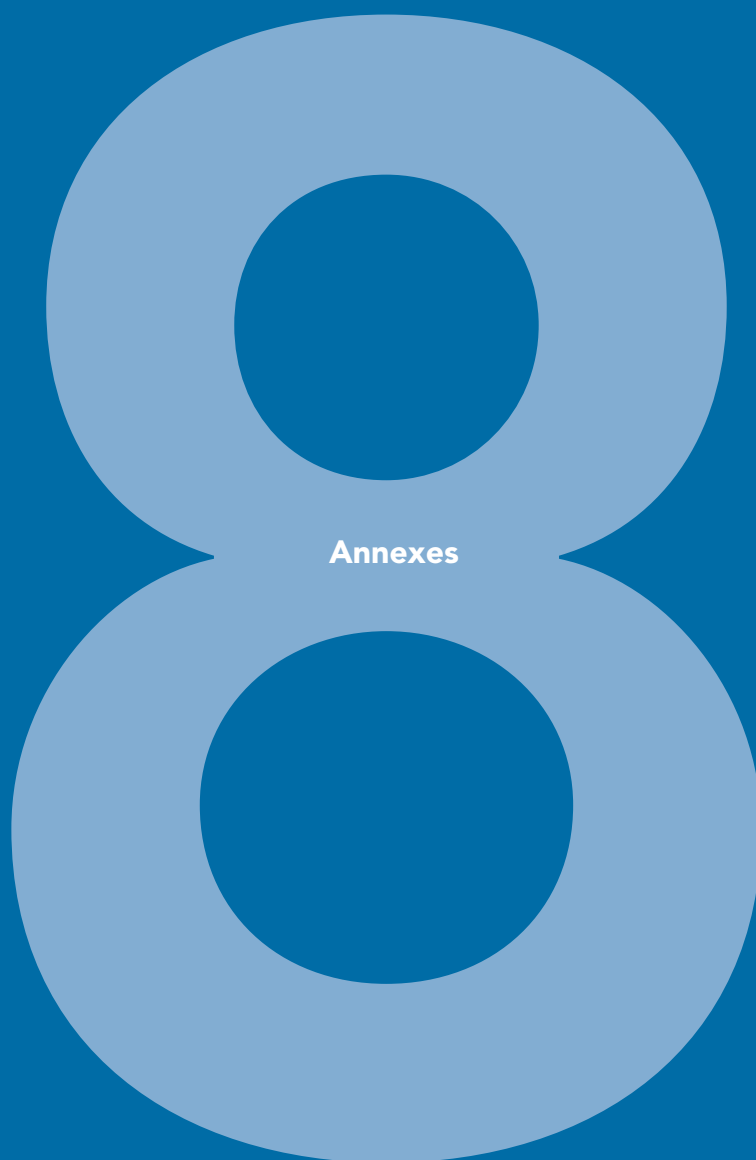
We look at the long term, becoming aware of the role we play in the territories in which we are present and in every interaction we have with our stakeholders. The seal of the sustainability management of Celeo Networks is in our preventive, proactive and dialogical approach, through which we seek to create value.

The development of our Sustainability Policy this year provides a clear guideline for the generation of shared value. The new procedure to regulate and establish the relationship with our stakeholders (Management with Stakeholders) we have defined, will be a mechanism to develop meaningful relationships with our various stakeholders, recording objectives and relationship activities. With these actions, we seek addressing our role in the environment where we live with greater maturity and accurately reporting on the activities conducted, their objectives and results.

Objectives for 2019 in the five management pillars of our Sustainability Policy are:

1. Ending the year with zero accidents.
2. Attaining an involvement of at least 50% of the workers in environmental volunteering activities.
3. Renewing the certificates of our Integrated Management System pursuant to the ISO 9001: 2015 and ISO 14001: 2015 standards, in addition to updating our OHSAS 18001: 2007 to ISO 45001: 2018 certificate.
4. Renewing the certificate of our Crime Prevention Model.
5. Improving our results obtained in the GRESB platform in 2017.
6. Achieving 100% compliance and improvement of the training plan in cybersecurity and improving computer security indexes.

The success in achieving these objectives is related to obtaining a bonus which will benefit all workers of the company and will be delivered in 2020.



A.1 Tabla de indicadores

CODE	INDEX NAME	CHAPTER	SECTION	PAGES
UNIVERSAL STANDARDS (SERIES 100)				
[GRI 102-1]	Name of the organization	N/A	Back cover	2
[GRI 102-2]	Activities, brands, products and services	2	2.1	24, 25 and 27
[GRI 102-3]	Location of headquarters	N/A	Back cover	2
[GRI 102-4]	Location of operations	2	2.1	27
[GRI 102-5]	Ownership and legal form	N/A	Back cover	2
[GRI 102-6]	Markets served	2	2.3	37
[GRI 102-7]	Scale of the organization	2	2.3	35
[GRI 102-8]	Information on employees and other workers	6	6.1	109 and 110
[GRI 102-9]	Supply chain	2	2.1	25
[GRI 102-10]	Significant changes to the organization and its supply chain	2	2.2	28 and 29
[GRI 102-11]	Precautionary principle or approach	5	5.1.2	96
[GRI 102-12]	External initiatives	2	2.4.5	48
[GRI 102-13]	Membership of associations	2	2.4.5	48
[GRI 102-14]	Statement from senior decision-maker	1	1.4	14 y 15
[GRI 102-16]	Values, principles, standards, and norms of behavior	3	3.3	69
[GRI 102-18]	Governance structure	3	3.1	55
[GRI 102-40]	List of stakeholder groups	2	2.4.4	45
[GRI 102-41]	Collective bargaining agreements	N/A	N/A	The company does not have unions or collective bargaining agreements.
[GRI 102-42]	Identifying and selecting stakeholders	2	2.4.4	44
[GRI 102-43]	Approach to stakeholder engagement	2	2.4.4	44
[GRI 102-44]	Key topics and concerns raised	1	1.5	16 and 17
[GRI 102-45]	Entities included in the consolidated financial statements	3	3.2	64
[GRI 102-46]	Defining report content and topic Boundaries	1	1.5.1	18
[GRI 102-47]	List of material topics	1	1.5.1	18
[GRI 102-48]	Restatements of information	1	1.5	16

[GRI 102-49]	Changes in reporting	1	1.5	16
[GRI 102-50]	Reporting period	1	1.5	16
[GRI 102-51]	Date of most recent report	1	1.5	16
[GRI 102-52]	Reporting cycle	1	1.5	16
[GRI 102-53]	Contact point for questions regarding the report	N/A	Back cover	149
[GRI 102-54]	Claims of reporting in accordance with the GRI Standards	1	1.5	16
[GRI 102-55]	GRI content index	Annexes	A.1	140
[GRI 102-56]	External assurance	Annexes	A.4	148
[GRI 103-1]	Explanation of the material topic and its Boundary	All chapters		33, 35, 49, 68, 77, 89, 108, 115 and 125
[GRI 103-2]	The management approach and its components			
[GRI 103-3]	Evaluation of the management approach			
STANDARDS ON BUSINESS TOPICS (200 SERIES)				
[GRI 201-1]	Direct economic value generated and distributed	4	4.1.2	81
[GRI 205-1]	Operations assessed for risks related to corruption	3	3.3.2	71
[GRI 205-2]	Communication and training about anti-corruption policies and procedures	3	3.3.1	70
[GRI 205-3]	Confirmed incidents of corruption and actions taken	3	3.3.3	73
[GRI 206-1]	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3	3.3.3	73
STANDARDS ON ENVIRONMENTAL TOPICS (300 SERIES)				
[GRI 302-1]	Energy consumption within the organization	5	5.2.1	100
[GRI 302-4]	Reduction of energy consumption	5	5.2.1	100
[GRI 304-1]	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5	5.1.1	93 and 94
[GRI 304-2]	Significant impacts of activities, products, and services on biodiversity	5	5.1.1	93 and 94
[GRI 304-3]	Habitats protected or restored	5	5.1.1	93 and 94
[GRI 304-4]	IUCN Red List species and national conservation list species with habitats in areas affected by operations	5	5.1.1	94
[GRI 305-1]	Direct (Scope 1) GHG emissions	5	5.2.1	101
[GRI 305-2]	Energy indirect (Scope 2) GHG emissions	5	5.2.1	101
[GRI 305-3]	Other indirect (Scope 3) GHG emissions	5	5.2.1	101
[GRI 305-5]	Reduction of GHG emissions	5	5.2.1	101
[GRI 305-7]	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	5	5.2.2	102
[GRI 306-2]	Waste by type and disposal method	5	5.2.4	103
[GRI 307-1]	Non-compliance with environmental laws and regulations	5	5.1.3	99

STANDARDS ON SOCIAL TOPICS (400 SERIES)				
[GRI 401-1]	New employee hires and employee turnover	6	6.1	109
[GRI 403-1]	Occupational health and safety management system	6	6.3	117
[GRI 403-2]	Hazard identification, risk assessment, and incident investigation	6	6.3	117
[GRI 403-3]	Occupational health services	6	6.3	117
[GRI 404-1]	Average hours of training per year per employee	6	6.4	118
[GRI 404-2]	Programs for upgrading employee skills and transition assistance programs	6	6.4	118
[GRI 404-3]	Percentage of employees receiving regular performance and career development reviews	6	6.4	119
[GRI 413-2]	Operations with significant actual and potential negative impacts on local communities	N/A	N/A	To this date, these impacts have not been evaluated.
[GRI 419-1]	Non-compliance with laws and regulations in the social and economic area	3	3.3	68
CELEO REDES INDICATORS (CE)				
[CE1]	Internal mobility rate	6	6.1	111
[CE2]	Recreational activities conducted by the team	6	6.4.2	122 and 123
[CE3]	Operational Continuity	2	2.3.3	39
[CE4]	Total hours of service failure	2	2.3.3	39
[CE5]	Total fines due to service failure	N/A	N/A	In the reported period there were no fines related to disconnection times of the service, since the regulations begin to apply from the fifth year of operation of the transmission line.
[CE6]	Resilience to catastrophe	2	2.3.3	40
[CE7]	Client Management by Control Center	2	2.3	41
[CE8]	Highlights of activities from Operations	2	2.3	37 and 38
[CE9]	Highlights of activities from Construction	2	2.3	37 and 38
[CE10]	Integrated management system	1 and 2	1.2 and 2.5	10, 49 and 50
[CE11]	Total incidents	2	2.5	50
[CE12]	External certification	1 and 2	1.2 and 2.5	10 and 49
[CE13]	Information on GRESB	2	2.5	49 and 50
[CE14]	Progress in the certification of the Crime Prevention Model	3	3.3.2	72
[CE15]	Total investment in projects awarded in 2018	4	4.1.2	83

[CE16]	Total investment at company wide level	1	1.1	9
[CE17]	Description of new awarded projects	1 and 2	1.2 and 2.3.1	10 and 37
[CE18]	Business results	4	4.1.2	83
[CE19]	Status of RCA measures	5	5.1.1	93 and 94
[CE20]	Information on safety workshops	6	6.3	116
[CE21]	Programs developed with the community	6	6.5.1	127
[CE22]	Progress in community definitions	6	6.5	125 and 126
[CE23]	Status on commitments established in 2016 and 2017	7	7.1	133 to 136
[CE24]	Description of a worker's day	6	6.2	112 and 113
[CE25]	Total consumption of water resulting from the operation	5	5.2.3	103

A.2. Detail of company wide activities for all projects

BIRDLIFE PROTECTION

AJTE (4 events)

The avifauna activity in the sector of Alto Jahuel was identified by external specialists, finding a shell of *Asio flammeus suinda* (Nuco) and bone remains of *Milvago chimango* (tiuque). Remains of bodies of *Vannellus chilensis* (wings and head) were found in the Vilches area during the month of March.

Additionally, bird remains were detected under the transmission line in the Romeral district, Los Guaicos area, while Pedestrian Visual Inspection activities were conducted. Due to the advanced state of decomposition, the type of species could not be determined. In the observed sections there are no flight deviators, given that they do not correspond to water courses.

CHATE (3 events)

First monitoring during 2018.

During the activities carried out in March, a corpse of the species *Turdus falcklandii* (Zorzal) was detected in the Colbún area. The individual was within the safety strip of the line. The presence of feathers was evidenced during the execution of the activities.

NOISE MEASUREMENTS

Three measurements were made at sensitive points (L) of our projects during 2018. The outputs are as follows:

L32 Results:

The measurements made showed noise immission values which are perceptible in a tenuous manner over base noise or background noise, since this corona noise is masked by the environmental noise characteristic of the area under study, such as the noise of the presence of the wind with the foliage of trees, field animals, barking dogs and birds.

L25 Results:

The measurements made showed noise immission values which are perceptible at night, compared to base noise or background noise, there being a difference of 6 dB between the base noise and the noise produced by the corona effect, due to the fact that the monitored point is 40 meters away from the area of the tower in question.

L17 Results:

The measurements made showed noise immission values which are perceptible in a tenuous manner over base noise or background noise, since this corona noise is masked by the environmental noise characteristic of the area under study, such as the noise of the presence of the wind with the foliage of trees, field animals, barking dogs and birds.

A.3 Summary for Reporting on Progress (COP) of the Global Compact

In the permanent search of our company to set partnerships which enable us to systematically advance in a sustainable operation, from 2018 on we adhere to Red Pacto Global Chile, with the commitment to establish and communicate our progress in compliance with the principles of this initiative.

To specify the information related to the specific areas monitored by Global Compact, please find details the table below:

AREA	DESCRIPTION OF ACTIONS AND POLICIES	LOCATION IN REPORT 2018
Human rights	We have included a respect and Human Rights approach in our Code of Ethics at the time of its preparation. This document applies both to the daily management of our workers and the contractors who support our operation.	3.3.1
	Our Sustainability Policy, redacted in 2018, makes explicit that the general framework of relations with all our stakeholders is based on the protection of Fundamental Human Rights in its Social Management pillar.	2.4.1 and 2.4.2
	There were no complaints or cases filed during 2018 in progress regarding breaches of fundamental human rights in our company.	
Labor Principles	Our Sustainability Policy, drafted in 2018, makes explicit that the basis of lasting and ethical relations with our workers precisely includes the elimination of any form of forced or compulsory labor, child labor and any form of discrimination in its Social Management pillar.	6.1
	Our Sustainability Policy, drafted in 2018, makes explicit that the basis of lasting and ethical relations with our workers precisely includes the elimination of any form of forced or compulsory labor, child labor and any form of discrimination in its Social Management pillar.	6.1
	During 2018 there were no complaints or cases in progress regarding violations of workers' rights, especially those indicated in the previous points and in line with the principles of the Global Compact.	

Environment	Our company adheres to the Precautionary Principle and operates in harmony with this management vision, by having 100% of our projects with an Environmental Qualification Resolution, as indicated in this report.	5.1.2
	Our Sustainability Policy commits to the development of initiatives promoting greater environmental responsibility and encouraging the development and spread of eco-friendly technologies, as described in its Environment pillar.	5.1
	<p>We have a set of initiatives promoting greater environmental responsibility, which are detailed in chapter 5 of this report, where we highlight:</p> <ul style="list-style-type: none"> • Our work plan includes specific environmental care activities for each stage, from project planning to operation and maintenance. • We have mitigation measures for our most significant impacts: emission of particulate material, loss of biodiversity, alteration of native fauna and generation of waste. • We do not use or have access to subsurface or underground lands in any of our operations. • We measure the carbon footprint of our operation, including substations energy consumption and including the measurement of gas emissions from mobile and stationary sources. • We provide informational materials to the community. • We launched CeleoRecicla, a waste reduction program whose results we will measure during 2019. 	5.1 and 5.2
	Among the main results of our operation, we note that the monitoring implemented around terrestrial fauna rescue and location, indicate that the variables linked to richness, abundance and density of the populations have remained constant over time, and may point out that the fauna relocation has not affected the integrity of the sites.	
	In regards to noise, it is part of our continuous measurements and we do not find indications of points with high results not mitigated.	

Lucha contra la corrupción	<p>Our Sustainability Policy describes the promotion for regulatory compliance, ethical and transparent behavior of all team members in its governance pillar.</p> <p>Among the pillars of this pillar we find the fight against fraud, corruption, conflicts of interest, bribery, which is supplemented by a Compliance program and a Zero Tolerance principle to bad practices in ethics, transparency and integrity matters, promoting a behavior in tune with this principle in our employees and stakeholders.</p>	3.3.1 and 3.3.2
	<p>These guidelines are also manifested in our Code of Ethics, setting forth guidelines regarding the behaviors expected from all working at Celeo Redes.</p>	3.3.1
	<p>Our Crime Prevention Model was certified until 2019 by Prelafit Compliance. The certification has allowed improving the design of the model and its implementation, contributing to the assurance of the ethical behavior of those who are part of this organization.</p>	3.3.2 and 7.1
	<p>During 2018, 100% of the members of our company received training in anti-corruption matters.</p>	

A.4 External verification letter



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Informe de Verificación Limitada e Independiente del Reporte de Sostenibilidad de Celeo Redes 2018

Señores
Presidente y Directores
Cielo Redes Chile
Presente

Alcance

Hemos efectuado una verificación limitada e independiente de los contenidos de información y datos presentados en el Reporte de Sostenibilidad 2018 de Celeo redes Chile el cual tiene por alcance temporal al período comprendido entre el 01 de enero de 2018 y el 31 de diciembre de 2018. Toda información fuera de este período no fue parte de la verificación.

La preparación del Reporte de Sostenibilidad, la información y las afirmaciones contenidas ahí, la definición del alcance del Reporte, la gestión y el control de los sistemas de información que proporcionan los datos reportados, son de exclusiva responsabilidad de la Administración de Celeo redes Chile.

Estándares y Procedimientos de Verificación

Nuestra revisión fue efectuada de acuerdo a la norma de verificación internacional para auditorías de información no financiera ISAE 3000, establecida por el International Auditing and Assurance Board de la International Federation of Accountants y la Guía para la elaboración de Reportes de Sostenibilidad del Global Reporting Initiative (GRI) en su versión Standards.

Nuestros procedimientos fueron diseñados con el objeto de:

- Verificar que la información y los datos presentados en el Reporte de Sostenibilidad de Celeo redes Chile 2018 estén debidamente respaldados por evidencias.
- Determinar que Celeo redes Chile 2018 haya elaborado su Reporte de Sostenibilidad 2018 conforme a los indicadores de desempeño y los principios de la Guía GRI en su versión Standards.
- Confirmar el nivel de aplicación declarado (Esencial o Exhaustivo) por Celeo redes Chile a su Reporte de Sostenibilidad 2018, según lo que indica la guía GRI en su versión Standards.

Procedimientos Realizados

Nuestra labor de verificación consistió en la indagación con representantes de la Dirección, Gerencias y Unidades Funcionales de Celeo redes Chile, involucradas en el proceso de elaboración del Reporte, así como en la realización de otros procedimientos analíticos y pruebas de muestreo tales como:

- Entrevistas a personal clave de Celeo redes Chile con el objetivo de evaluar el proceso de elaboración del Reporte, la definición de su contenido y conocer los sistemas de información utilizados.
- Revisión de la documentación de respaldo proporcionada por Celeo redes Chile.
- Revisión de fórmulas y cálculos asociados a la información cuantitativa, mediante reproceso de datos.
- Revisión de la redacción del Reporte, a objeto de asegurar que la interpretación no induzca a errores o dudas respecto a lo presentado.

Nuestra Responsabilidad

Nuestra responsabilidad se limita exclusivamente a los procedimientos mencionados en los párrafos anteriores, y corresponde a una verificación de alcance limitado, la cual sirve de base para nuestras conclusiones. Por defecto, no aplicamos procedimientos de verificación extendidos, ni de auditoría, cuyo objetivo es expresar una opinión. En consecuencia, no expresamos una opinión.

Conclusiones

Sújetos a las limitaciones del alcance, señaladas anteriormente, y basados en nuestro trabajo de verificación limitada e independiente del Reporte de Sostenibilidad 2018 de Celeo redes Chile concluimos que no ha llegado a nuestro conocimiento ningún aspecto que nos haga pensar que:

La información y los datos publicados en el Reporte de Sostenibilidad 2018 de Celeo redes Chile no están presentados de forma correcta.
El Reporte 2018 de Celeo redes Chile no haya sido elaborado en conformidad con la versión Standards de la guía para la elaboración de Reportes de Sostenibilidad de GRI.
La opción "Esencial" declarada por Celeo redes Chile no cumpla con los requisitos para tal nivel, de acuerdo a lo establecido en la guía de aplicación GRI en su versión Standards.

Recomendaciones de Mejora

Sin que incidan en nuestras conclusiones y con base en el alcance limitado de la verificación, hemos detectado ciertas oportunidades de mejora, las cuales se detallan en un informe de recomendaciones separado de la presente carta y dirigido a la Administración de Celeo redes Chile.

Saludamos atentamente a usted,

EY Consulting SpA,

Elaine Almeida,
Socia PT, Advisory

22 de mayo de 2019
I-00298/19

RG/cfm(2)
61405709

CONTACT INFORMATION

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