



A DECADE OF CELEO IN CHILE
ISSUE 2019



A 5x5 grid of circles. Some circles contain portraits of people, while others are solid colors (dark blue, orange, or light blue). The portraits are arranged in a pattern that is roughly rectangular, with some missing in the corners and middle. The colors are distributed throughout the grid.

SUSTAINABILITY
REPORT

2019

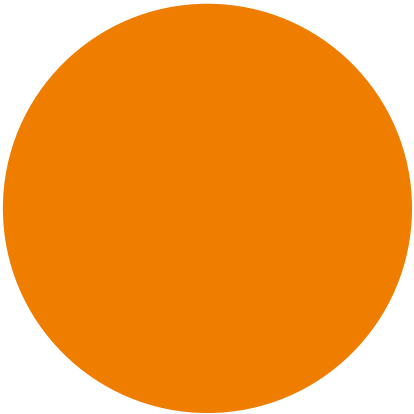
Company identification

[102-1, 102-3, 102-4, 102-5]

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Incorporation: November 10th, 2016

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[102-53]
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01

WELCOME TO OUR 2019 REPORT



EFFORT

"To tell you the truth, it was a surprise for me, I didn't know that they would grant me an award like this, but it is always pleasing that one is recognized for the work that one does with so much "effort". Last year, thanks to Celeo's support, I had to work and study, and although I left classes late at night and traveled 60 kilometers to get home, the support of my company, and knowing they always believed in me, motivated me to strive and fulfill my commitment, responsibility and work every day."



Juan Olivares

Maintenance department

Illapa-Cumbre line 2x220 kV.



“In 2019 we continued to strengthen our commitment to sustainability.”

Miguel Morenés Giles

1.1 MESSAGE FROM THE CHAIRMAN OF THE CELEO CONCESIONES S.L. MANAGEMENT COUNCIL

[102-14, 102-23]

In my capacity as Chairman of the Celeo Council, I have the pleasure of presenting you with our 2019 Sustainability Report, a document through which we want to be transparently accountable in environmental, economic, social and governance matters.

I would like to begin by highlighting the recent corporate operation through which APG and Elecnor expanded their strategic partnership for the development of energy transmission and renewable generation projects. This, by including the solar generation assets Celeo has in Spain, into the LATAM platform. APG's entry as a partner into the Celeo parent company represents a relevant milestone in the Company's history, and the commitment of both partners to jointly invest up to 400 million euros in the following five years is undoubtedly an additional boost to strengthen our presence in these markets.

During this year, we have continued strengthening our commitment to sustainability. The excellent results obtained in one of the rankings most valued by investors worldwide, GRESB, are an example of the above. As a group, we reached the first positions in the energy transmission infrastructure category, with Chile taking first place and Brazil, second. This ranking includes an analytical view of environmental, social and governance factors in its participants' performance and, therefore, reflects the intense work we have done around our sustainability strategy, which continues to create positive results.

At the operational level, I should not leave out the entry into commercial operation, by early 2019, of the Diego de Almagro transmission infrastructure in Chile and the recent commissioning of our Sao Joao de Piaui photovoltaic generation plant, and Serra de Ibiapaba, both in Brazil. These projects were commissioned significantly early with respect to the set delivery dates, which is one more example of the effort and dedication of our company in the fulfillment of commitments made.

Financial operations closed during the year are of equal importance; The placement of a 365 million dollars bond with a 30 years term in Chile, and the financial closure of our Serra de Ibiapaba transmission project, for a 646 million reais amount and a 20 years term, in Brazil. These transactions demonstrate Celeo's financial stability and demonstrate long-term support for a job well done by the Company.

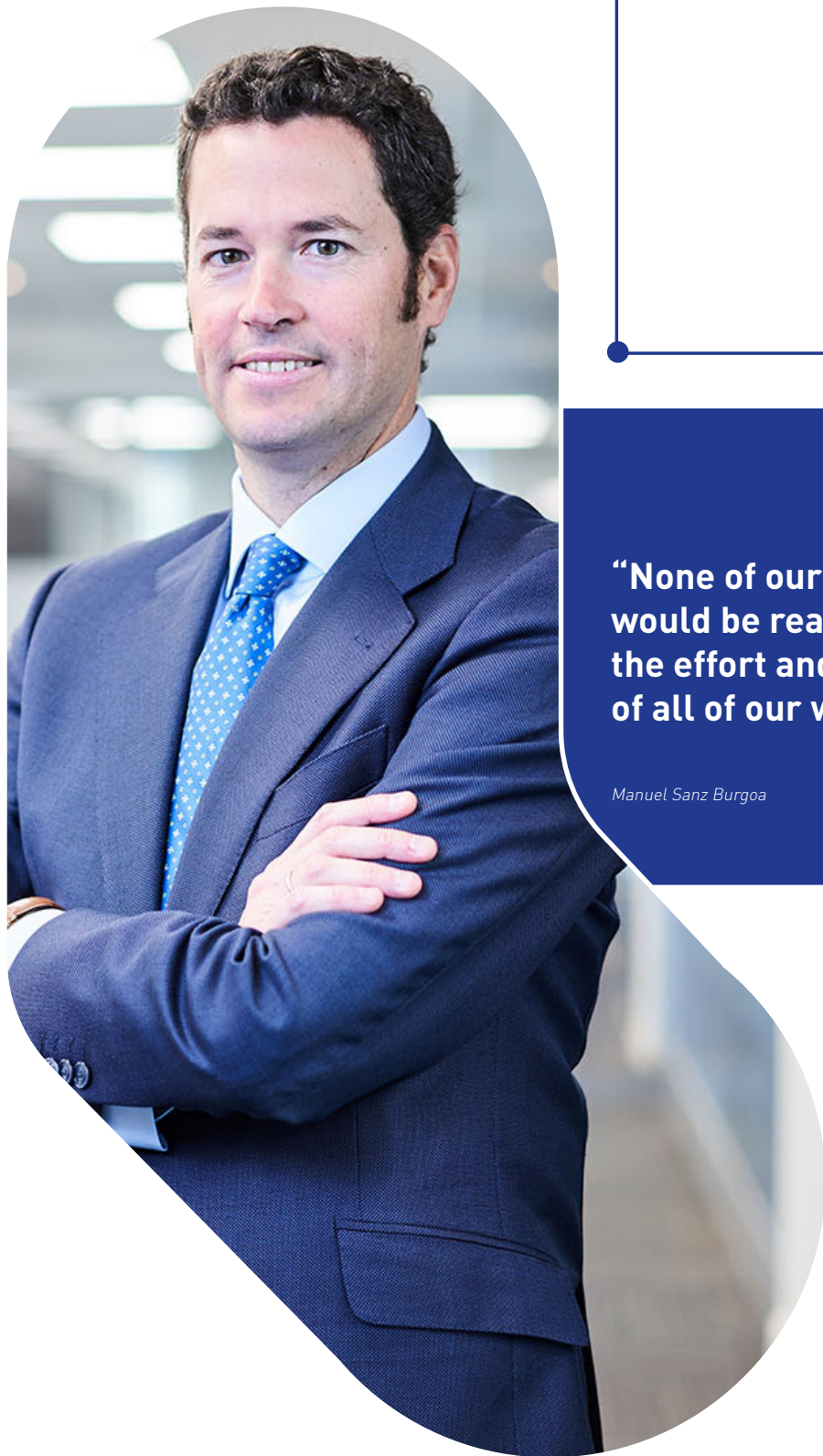
What better place than this document, where we share our achievements and future challenges, to congratulate our employees and collaborators; teams who, with their dedication and high performance, maintain our continuous challenge of excellence in an industry that is essential for the world of today and the future.

I would like to finish with a message of optimism. Since early this year, we have been facing a viral outbreak that has been described as a pandemic by the World Health Organization. The company is taking preventive measures to contain the spread of the virus, ensure the health of its employees and secure the electrical service, in collaboration with the relevant authorities. Once again, our workers are facing this situation with their characterizing professionalism, and I have no doubt that, together, we will overcome this pandemic and emerge strengthened.

On behalf of the Counsel, I hereby invite you to learn in detail about tasks completed during the period and preventive measures deployed in recent weeks.

Please receive my warm greetings,

Miguel Morenés Giles
Chairman of the Management Counsel



“None of our objectives would be reachable without the effort and commitment of all of our workers.”

Manuel Sanz Burgoa

1.2 WELCOME FROM THE GENERAL MANAGER

[102-14]

As Celeo’s General Manager, I am very proud to hereby present the fourth Sustainability Report of our company. This document presents our 2019 performance under the *Global Reporting Initiative* (GRI) methodology and the Global Compact guidelines.

First, I would like to highlight that we have closed year 2019 in a very positive way, achieving important goals and making significant progress in our five management pillars - quality, safety and health, environment, social responsibility and compliance - which underpin our Sustainability Policy. The above reflects the commitment of our shareholders, management team and all collaborators, for the achievement of our objectives and promotion of the growth of the company in a sustainable fashion, meeting the demands of all stakeholders.

The last quarter of the year in Chile was marked by the social crisis and the citizens’ discontent for not seeing their expectations fulfilled in essential aspects such as education, health and pensions, among others. We are aware of this new context and the difficulties of finding a solution in the short term, but we also believe we can contribute to the generation of a more sustainable social environment through our investments, job creation and responsibility.

None of our objectives would be achievable without the effort and commitment of all our workers. They are the key to the successes reaped in recent years and I want to take this opportunity to recognize and thank them for their dedication and to require that they maintain their excellence and professionalism levels to meet the challenges we have set for ourselves in the coming future. This year, we have strengthened the Human Resources unit, to best serve the concerns of our workers and ensure their professional growth and development at our company.

It is a great honor and satisfaction for our company to continue being the electrical company with the best work safety rates. This year, we have achieved our challenging *zero accidents* goal, the result of a preventive safety culture that has permeated all our collaborators and is also transmitted to our contractors.

In keeping with our commitment to Chile and all its citizens, we have managed to maintain excellent facility performance, ensuring the electricity supply continuity with an average 99.98% availability level in our operating projects.

On the other hand, this year was also significant for our projects under construction portfolio, *Mataquito* and *Casablanca*, as we managed to secure the financial resources required for development and construction over the following four years, by placing a 365 million dollars bond over a 30-year term, a structure that places us at the forefront of financing these types of projects in Latin America. At the same time, we have taken the first steps in the development of these projects, starting their environmental processing and subscribing EPC Contracts under a turnkey method.

Our company’s firm commitment to transparency and Governance best practices is shown by the renewal of our Crime Prevention Model certification and training of all our workers in this matter. We continue working on generating a *compliance* culture in our company, which is underpinned by strict compliance programs and zero tolerance for bad practices in ethics, transparency and integrity matters.

The progress made this year in the field of information technologies is remarkable. We have strengthened our IT team and important work has been conducted in order to strengthen our computer security and be

better prepared for possible cyber-attacks. We are working along our colleagues in Brazil and Spain to align and deploy a common information security policy which includes the industry's best practices in this regard.

The achievements made are significant, but the challenges we set for the future are even more relevant. Maintaining the level of excellence achieved, successfully developing projects in the portfolio and further promoting a prevention culture in occupational safety and strict compliance with governance, are the basis for achieving sustainable growth and contributing to economic progress and social welfare in Chile.

I hope you enjoy reading this Report, noting our progress and future challenges. I thank you for your attention and assure you, on behalf of our entire team, that we will maintain our commitment to continuous improvement, giving the best of ourselves to continue meeting the expectations of all our stakeholders.

Manuel Sanz Burgoa
Celeo Chile General Manager



Ancoa substation, Maule region.

1.3 2019 AT A GLANCE

[102-10]



JANUARY

Commissioning of the 2x220 kV Illapa - Cumbre transmission line in the Diego de Almagro district, Atacama region.

The project was commissioned almost a year prior to the deadlines agreed with the authorities, and comprises a 220 kV dual-circuit transmission line stretching 52 kilometers (km) in length, with a 600 MVA transmission capacity per circuit, and two substations, Illapa and Cumbre.



FEBRUARY

Strengthening of the Human Resources unit

The Human Resources unit is strengthened to enhance employee development and centralize the Company's efforts in People Management.



MARCH

Involvement in the Security Excellence Project (PES)

Planning and coordination for the deployment of the PES began in March. This is a project including a collaboration between Celeo, Elecnor and DuPont, in the field of Occupational Health and Safety.

The main lines of action relate to critical risk identification and management, individual awareness, the integrated management system, learning capture, progressive motivation, and continuous improvement.



APRIL

Involvement in the Internal Work Accidents Prevention Week (SIPAT)

Celeo Brazil held its 2019 SIPAT in the Uberlandia city, in the state of Minas Gerais, in Brazil, with the involvement of Manuel Núñez (Head of SST Maule Zone), Carlos Maureira (Maule Zone Maintenance Manager) and Sergio Concha (Atacama Zone Electromechanical Technician).

Under the title "Growing Safely", the instance enabled the exchange of good practices and the survey of improvements in health and safety.



MAY

Information Technology (IT) Plan

The IT unit began work on the definition, planning and deployment of an Information Technology Plan which enables the company to control cybersecurity related risks.



JUNE

Partnership with Escuela Hogar Charrúa (Charrúa Home-School)

Joint work continued with Escuela Hogar Charrúa (Charrúa Home-School), located in the Cabrero district in the Biobío region, where the Company conducts workshops and activities along with the educational community for environmental awareness of students.

This project is part of Celeo Chile's environmental education plan. The commitment to the school was subscribed in an event held for the entire student community.

SEPTEMBER

Obtaining first place in the GRESB Ranking¹ 2019 in the electrical transmission infrastructure category

GRESB is an organization in the assessment and comparison of funds and real estate assets and infrastructure portfolios performance around the world in the Social, Environmental and Governance aspects. Results of the 2019 ranking placed Celeo Chile as the company with the highest score within the electric transmission infrastructure companies category and in the eighth position (out of 393) in the Infrastructure Company General Ranking.

Cybersecurity Symposium 2019

Santiago, Chile was the venue for the most significant event on the matter, taking place on the continent: The Cybersecurity Symposium, an activity led by the Organization of American States (OAS).

Celeo's IT and SCADA units were involved in the meeting that brought industry experts and leaders together, in addition to investors, academics, diplomats and government representatives, for an exchange of knowledge, methods and ideas on cybersecurity. It also included a series of lectures by different speakers, workshops and forums, with the attendance of over three thousand people, from 35 countries.

AUGUST

Recognition of Excellence Management by Mutual de Seguridad (Safety Mutual)

Celeo Chile received the award granted by the Mutual de Seguridad (Safety Mutual) of Cámara Chilena de la Construcción (Chilean Chamber of Construction), for the first time. The institution, which ensures workers' health and safety, highlighted the proper operation of the Integrated Management System under the OHSAS 18001 standard, validating the good work practices deployed and shared among all company members.

Award of MATE and CASTE projects

Decree 5T, of April 16th, 2019, was published on August 31st, 2019, via the Department of Energy, which sets the Exploitation and Execution Rights of New Works in the Zonal System under Decree 418 of 2017.

IV Technical Conference Celeo Chile - Brazil

Celeo Chile received colleagues from the Operation & Maintenance and Environment & Risk Prevention teams of Celeo Brazil, in the context of the annual conferences, where common operation & maintenance and environment & risk prevention problems are shared and discussed.



August

JULY

#WeAreAllCeleo

Celeo Chile launched its first risk prevention campaign to promote safety for all employees, which defines that behind each worker, there is a family waiting for them to return home and we are all "the great Celeo family". This campaign reinforces the culture of safety that is lived in the company and is part of other initiatives conducted with this purpose in mind.



October

OCTOBER

Occupational Health and Safety Management System Certification.

The Company successfully updated the OHSAS 18001: 2007 standard with the new ISO 45001: 2018, regarding the Occupational Health and Safety Management System, on October.

The ISO 9001: 2015 Quality and Environmental Management 14001: 2015 certifications were also validated for a new period in the same instance.

Construction commencement of the Maintenance Base for the Atacama zone

Construction works of the Maintenance Base for the Atacama zone began in October. The facility will have an approximate built area of 370 m² and the completion date is projected for the first quarter of 2020.

NOVEMBER

Renewal of the crime prevention certificate

The Company's Crime Prevention Model was again certified for a period of two years, recognizing the soundness of its procedures to identify and classify possible fraud or non-compliance risks that may involve criminal liability of the company in its operations.

Bond issue for USD 365 million

The placement of a USD 365 million project bond over a 30-year term is conducted with the purpose of financing the construction of the Mataquito - Hualqui and Nuevo Alto Melipilla - Agua Santa transmission line projects, also including the Diego de Almagro operational project.

Adherence to the Energy + Women Plan

In November, the Company was involved in the Public-Private Roundtable: 'Energy + Women Plan' along with others in the sector. The roundtable's main objective is to promote the integration of women into the energy sector. The commitment translates into the subscription of an agreement with the Department of Energy and the Department of Women and Gender Equity, to achieve this goal.



November

DECEMBER

Changes to the corporate structure

On December 16th, the European Commission² approved the entry of APG into the capital share of Spanish Holding Celeo Concesiones e Inversiones, which then comes under the joint control of APG and Elecnor, expanding the investment agreement to non-conventional renewable energy sources (NCRE), among others.

¹ For further information on GRESB, please go to: <https://gresb.com/>

² To learn more about the European Commission go to the website https://ec.europa.eu/info/about-european-commission_en

1.4 METHODOLOGY OF OUR REPORT

(102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56)

The fourth Sustainability Report prepared by Celeo Chile, accounts for the way in which it manages its operations and identifies its economic, environmental and social impacts, during the period from January 1st to December 31st, 2019.

This report has been developed pursuant to the Global Reporting Initiative (GRI) guidelines and principles, in its GRI Standards version, accessing the essential compliance level. Energy Supplement Indexes (2014) are also included, which - although have not been updated under the latest GRI version - are used to better represent indicators inherent to the industry.

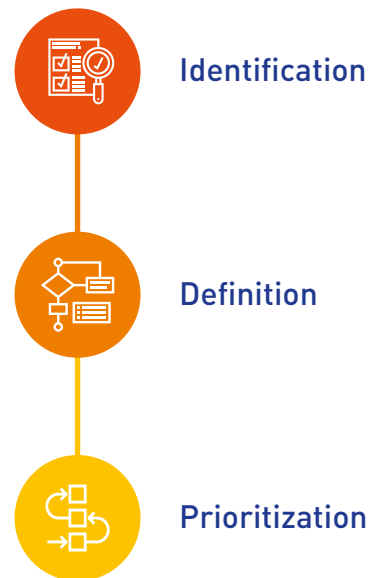
In cases where there is a change in methodology or formulation, it will be indicated in the corresponding content with a descriptive note.

Indexes in this report also received external verification, a review conducted by Deloitte in April 2020.

1.4.1 Materiality process

(102-21, 102-43, 102-44, 102-46, 102-47)

The most relevant contents were defined following the Materiality Process set by GRI, which allowed for the identification and presentation of the most significant sustainability topics both for the company, and its stakeholders.



Ancoa-Alto Jahuel 2x500 kV line.

Stages of the Materiality Process

1. Identification

Secondary materials were reviewed in this stage in order to identify the main topics of the year, industry and sustainability trends:

Secondary materials review:

- Identification of the local context and industry, via the review of 25 organizations specializing in sustainability and the electrical sector.
- National and international benchmark for 10 companies in the industry.
- Trends in the electrical industry.
- Industry related domestic and international press.
- Press publications about Celeo Chile.
- Internal company documentation and previous sustainability reports.

2. Definition

Internal and external consultation processes were deployed to define the depth and specificity of each topic, thanks to the identification of industry and sustainability topics.

The following interviews were conducted along these lines:

a) INTERNAL CONSULTATION:

- **5 Executives of Celeo Chile**
 - General Manager
 - Financial Manager
 - Business Development and Regulatory Advisory Manager
 - Operational Manager
 - Head of Legal Department
- **1 Celeo Concesiones e Inversiones S.L. Representative**
 - Celeo Concesiones e Inversiones S.L. Representative
- **1 Celeo Brasil Representative**
 - Sustainability Head for Celeo Brazil

b) EXTERNAL CONSULTATION:

- **7 Collaborators of Celeo Chile**
 - Operations and Maintenance Deputy Manager
 - Head of Human Resources
 - Head of IT and Control Center
 - Head of the Environment and Community Unit
 - Head of Quality, Environment, Safety and Health Unit
 - President of the Bipartite Training Committee
 - President of the Santiago Joint Committee
- **4 interviews with stakeholder representatives**
 - Coordinador Eléctrico Nacional (National Electricity Coordinator) (CEN)
 - Financial Entities
 - Associations
 - Labor Unions



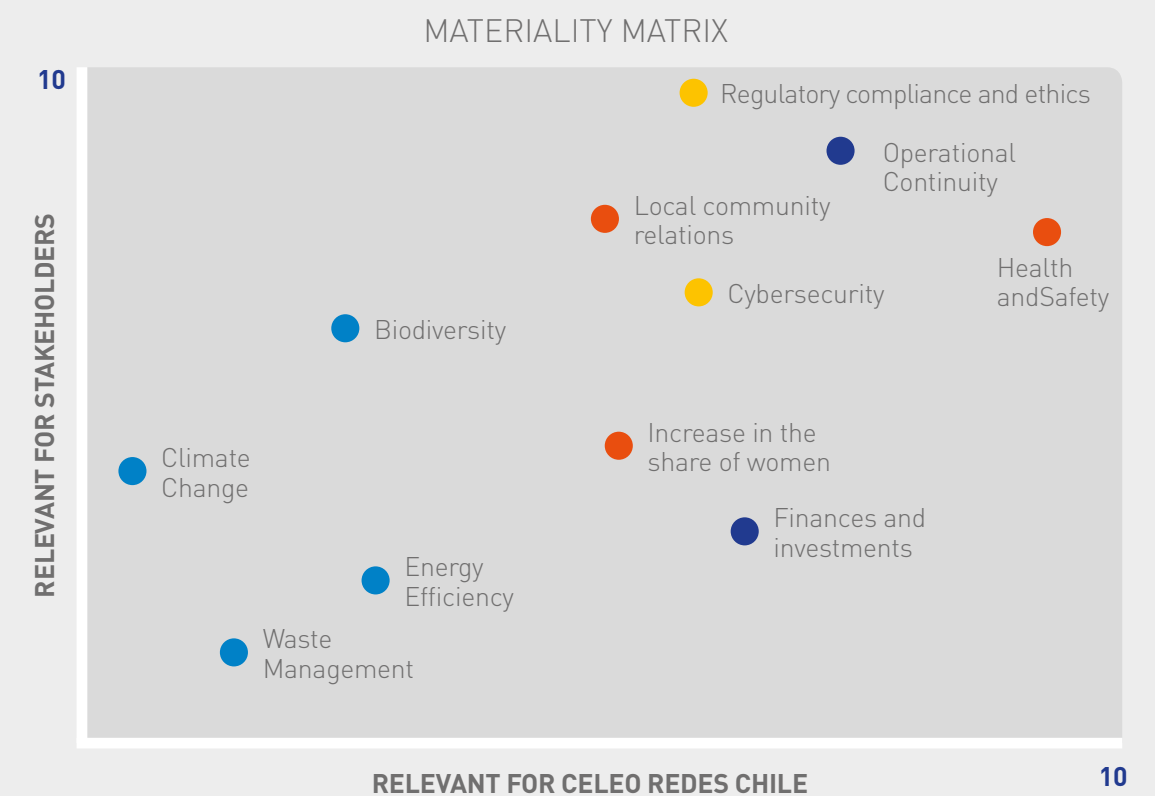
Juan Alayon, PPC Supervisor, Atacama zone.

3. Prioritization

Subsequently, topics arising both in the secondary material review and in the consultation were listed and grouped. The list included the frequency with which each topic arises, which were matched to those proposed by the GRI Standard. Finally, they were categorized according to relevance for the Company.

The prioritization of material issues was conducted via a weighted basis which included both the Company and its stakeholders.

The result of this exercise was 12 material topics for the reported period.



Emerging Topics

- Training and development
- Innovation and technology

NOTE: Prioritization does not imply the inherent relevance of the topic as is (if it is relevant or not), but rather compares its relevance among material topics. Non relevant topics are not seen on the chart.

1.4.2 Material topics

[102-33, 102-34, 103-1]

MATERIAL TOPIC	CELEO PRIORIZATION	GI PRIORIZATION	SCOPE OF IMPACT OF THE MATERIAL ISSUE
Safety and health	High	High	At Celeo, the safety and health of our workers is paramount. The scope of the material topic is handled at the internal collaborators and contractors levels and is more critical in operation and maintenance tasks.
Ethics and regulatory compliance	High	High	Celeo has defined unrestricted compliance with current regulations for its operations, having models and systems ensuring effectiveness. The scope of the matter is internal, both for executives as well as workers.
Operational continuity	High	High	Maintaining operational continuity is crucial to ensure supply to the entire population. The scope is internal, but of an external impact to all customers and society in general.
Local community link	Medium	High	Today, more than ever, the future expected for our communities is having spaces with opportunities for joint work. The scope of the material topic involves localities near the Company's projects.
Cybersecurity	Medium	Medium	Information is an incredibly important value within the company since a cyber-attack can result in both internal and external impacts. At Celeo, this material issue has an internal scope at the operating systems and workers levels, who could be subject to cyber-attacks.
Biodiversity	Low	Medium	The negative way in which biodiversity has been affected is a worldwide concern. At Celeo, this material issue becomes significant via the protection and conservation of biodiversity in operation locations.
Female labor integration	Medium	Medium	The share of women in Celeo is low, just like in the industry. Along with the energy industry, the Company is committed to diversity and feminine inclusion, extending the internal reach involved for all workers.
Finance and investments	Medium	Medium	The company requires large investments for its operation and sustainability over time. The management thereof is internal and a priority for objective achievement.

MATERIAL TOPIC	CELEO PRIORIZATION	GI PRIORIZATION	SCOPE OF IMPACT OF THE MATERIAL ISSUE
Climate change	Low	Medium	Climate change is one of the biggest challenges on the planet, with a global impact. The scope is external, via measures seeking to minimize the emission of greenhouse gases.
Resource efficiency	Low	Low	Resource efficiency improves operational efficiency and contributes to lessen environmental impact. The company has internal and external scopes, with workers, contractors and the community.
Training and development	Emerging		Worker training is essential for a highly efficient team. The scope of this material topic is internal at the workers level and seeks to improve collaborators' skills and knowledge.
Innovation and technology	Emerging		Innovation is a tool for the organization's continuous improvement processes. The scope of this topic is internal and external.



NOTE: High corresponds to a score over 8, medium corresponds to a score between 6-8 and low corresponds to a score below 6.

Note 1: Emerging material issues are those arising from internal and external consultation, but which were not prioritized by all interviewees.

1.5 STAKEHOLDERS

[102-21, 102-40, 102-42, 102-43]

Celeo holds dialog with its stakeholders, following the Sustainability Assurance AA1000 AS³ standard, considering their needs and expectations. This process is conducted through the following stages:s:



STAKEHOLDERS

- Shareholders
- Regulator
- Customers
- Collaborators
- Community
- Suppliers
- Contractors
- Financial Entities
- Associations
- Competition

THERE ARE VARIOUS COMMUNICATION CHANNELS AVAILABLE FOR STAKEHOLDERS:

- Website www.celeoredeschile.cl. Available to all interest groups.
- Email cmas@celeoredes.com for all collaborators.
- Transparenciachile@celeoredes.com email address, provided by the Crime Prevention Model for workers and suppliers, in addition to the Website, available to all stakeholders.
- Materiality process of the report, in which a consultation is conducted through a third party to various stakeholders, in order to identify the topics with the greatest relevance for them.

³ For further information, please check <https://www.normas-iso.com/aa1000-aseguramiento-de-la-sostenibilidad/>
⁴ <https://celeoredeschile.cl/canal-de-transparencia.php>



02

WE ARE CELEO CHILE



COMMITMENT

"Focused on my work and committed to what I do daily, the award I received in the "Commitment" category makes me very satisfied and drives me to improve day by day, overcoming the challenges that may arise."

Brenda Quilarque
IT department



Hector Mendoza, lineman Atacama zone.

2.1 WE ARE ALL CELEO

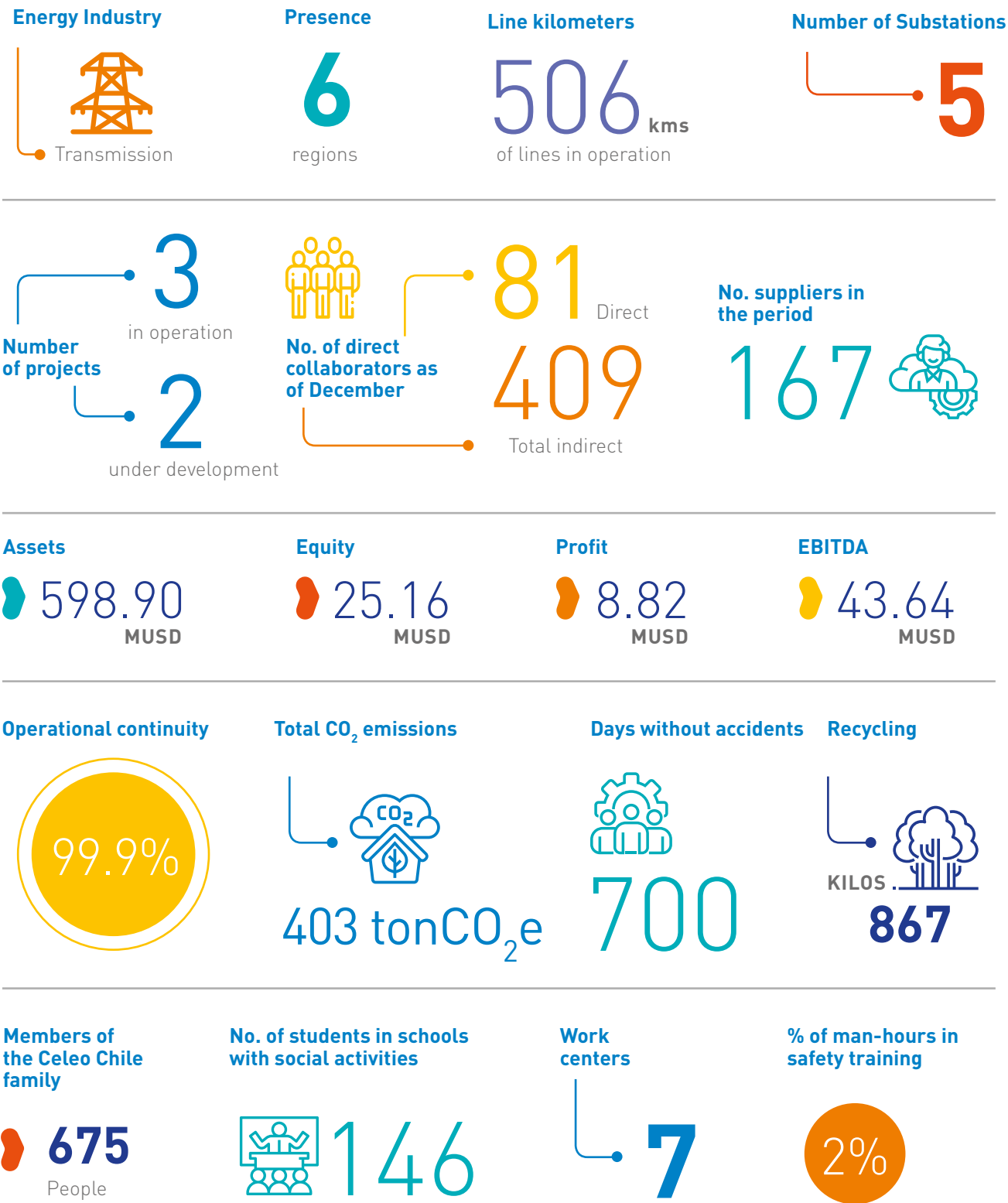
[102-2; 102-7; 102-9]

Celeo Chile manages investments in energy infrastructure, which comprise the development, construction, maintenance and management of energy transmission systems and electrical facilities in the Chilean national and zonal transmission systems.



Celeo Chile Team.

Prominent figures



Note: Total CO₂ emissions cover scopes 1, 2 and 3.
Note 2: Members of the Celeo Chile family correspond to the sum of each worker and their reported family group number.
Note 3: MUSD = Million dollars.

Stages of Celeo Chile projects

Its activity can be divided into five main stages:



New investments and bidding

- Review of bidding processes issued by Coordinador Eléctrico Nacional (National Electricity Coordinator) (CEN) and private entities. In addition to the Transmission Expansion Plan issued by Comisión Nacional de Energía (National Energy Commission) (CNE).
- Development of proposals for tendered projects.
- Technical feasibility analysis, environmental and social impact assessments.



Financing

- Search for financing and investments.



Construction

- Preparation of contracts and incorporation of a new corporation for the project.
- Strategic definitions for financing and cost updates.
- Voluntary and early community meetings.
- RCA and corresponding permits obtainment.
- Construction of the project, roads, structures, line layout and substations.



Operation

- Powering tests to validate proper project operation.
- Operation begins.



Maintenance

- Maintenance is carried out periodically in order to ensure operational continuity, required by regulations and to maintain safety and quality of service.



Charrúa-Ancoa 2x500 kV line.

2.1.1 Regional presence of our projects

[102-6]



IN OPERATION

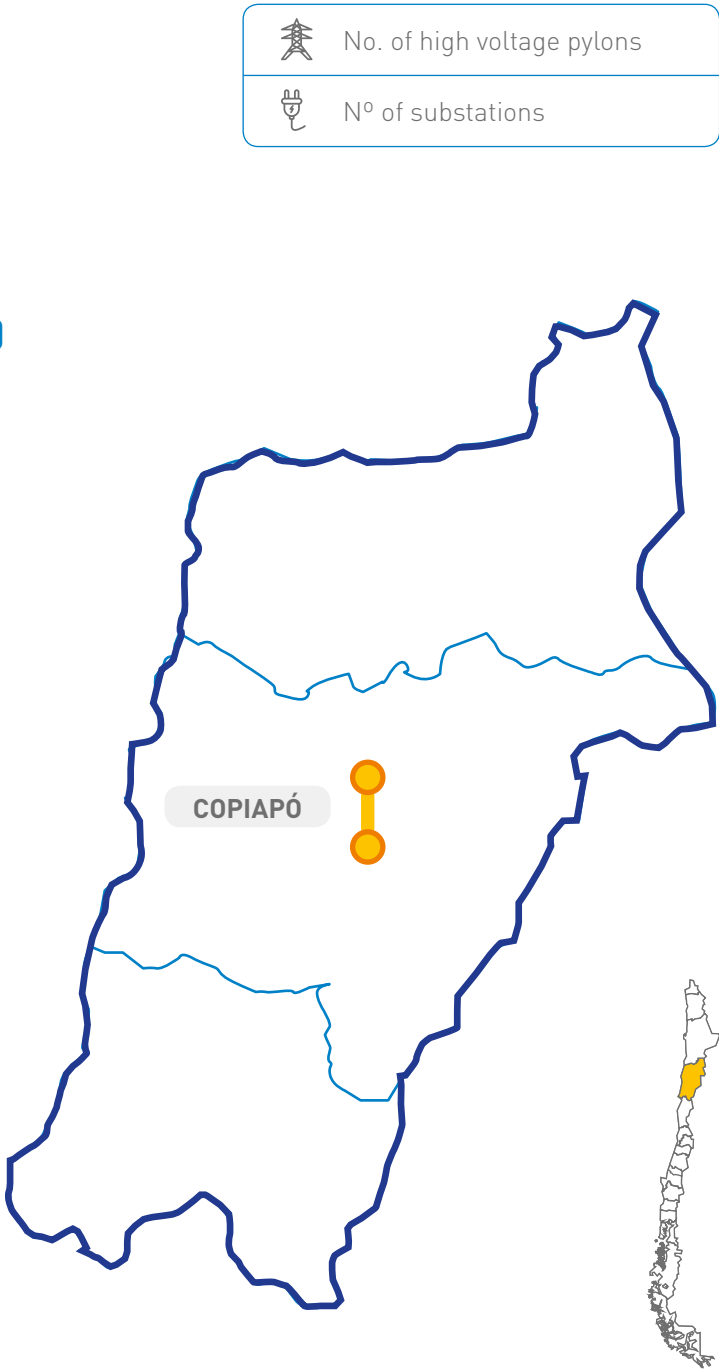
- 2x500 kV Ancoa-Alto Jahuel Line (AJTE)
- 2x500 kV Charrúa-Ancoa Line (CHATE)
- 2x220 kV Illapa-Cumbre Line (DATE)

2x220 kV Illapa-Cumbre Line (DATE)

- 2x220 kV Transmission line
- Illapa – Cumbre (DATE)
- Commissioning: January 2019

ATACAMA REGION

District		
Diego de Almagro	146	2





NO. OF HIGH VOLTAGE PYLONS	146
NO. OF SUBSTATIONS	2
LINE KILOMETERS	52 kms



2x500 kV Ancoa-Alto Jahuel Line (AJTE)

- 2x500 kV transmission line
- Ancoa – Alto Jahuel (AJTE)
- Commissioning of the first circuit: September 2015
- Commissioning of the second circuit: January 2016



METROPOLITAN REGION

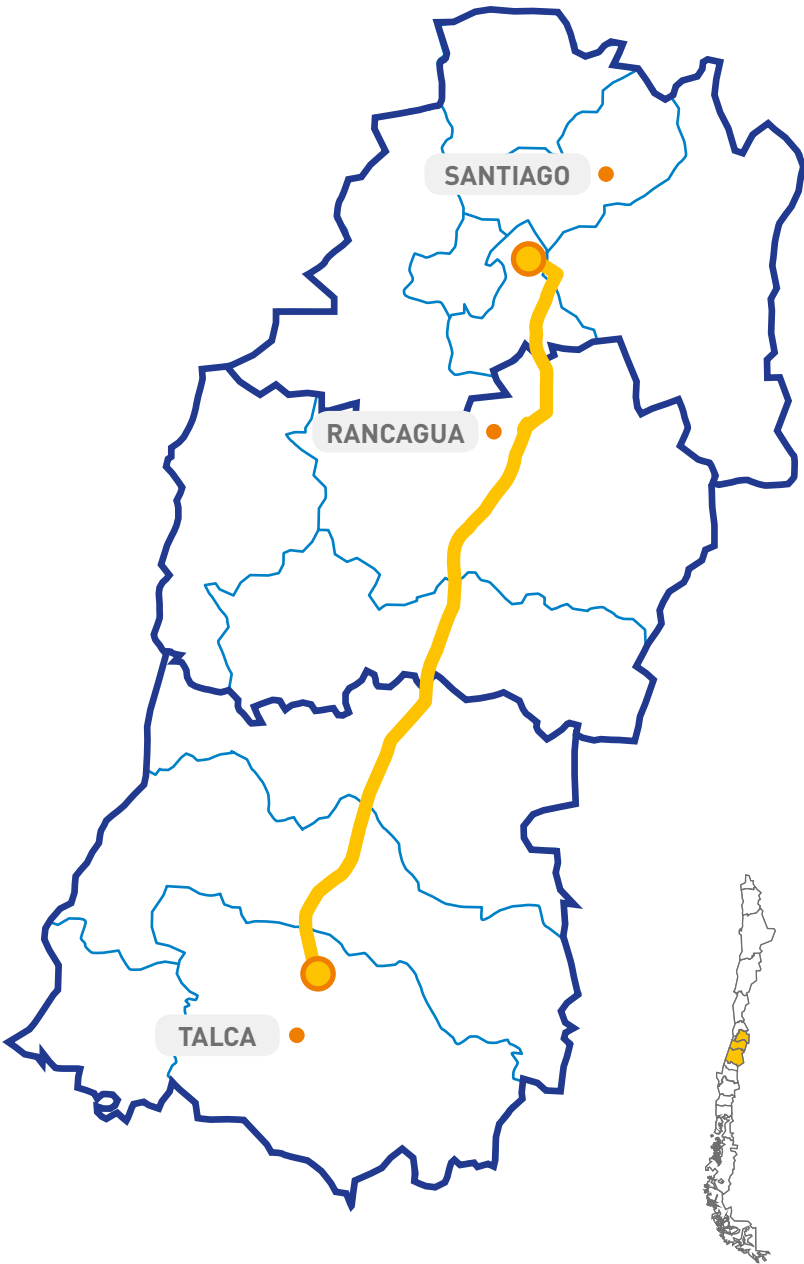
District		
Buín	15	1
Paine	60	0

LIBERTADOR GENERAL BERNARDO O'HIGGINS REGION

District		
Mostazal	35	0
Codegua	30	0
Machalí	34	0
Requínoa	39	0
Rengo	27	0
Malloa	18	0
San Fernando	41	0
Chimbarongo	53	0

MAULE REGION

District		
Teno	18	0
Romeral	39	0
Curicó	27	0
Molina	20	0
Río Claro	26	0
Pelarco	16	0
San Clemente	74	0
Colbún	12	1



NO. OF HIGH VOLTAGE PYLONS	584
NO. OF SUBSTATIONS	2
LINE KILOMETERS	256 kms

2x500 kV Charrúa-Ancoa Line (CHATE)

- 2x500 kV transmission line
- Charrúa – Ancoa (CHATE)
- Commissioning: December 2017

MAULE REGION

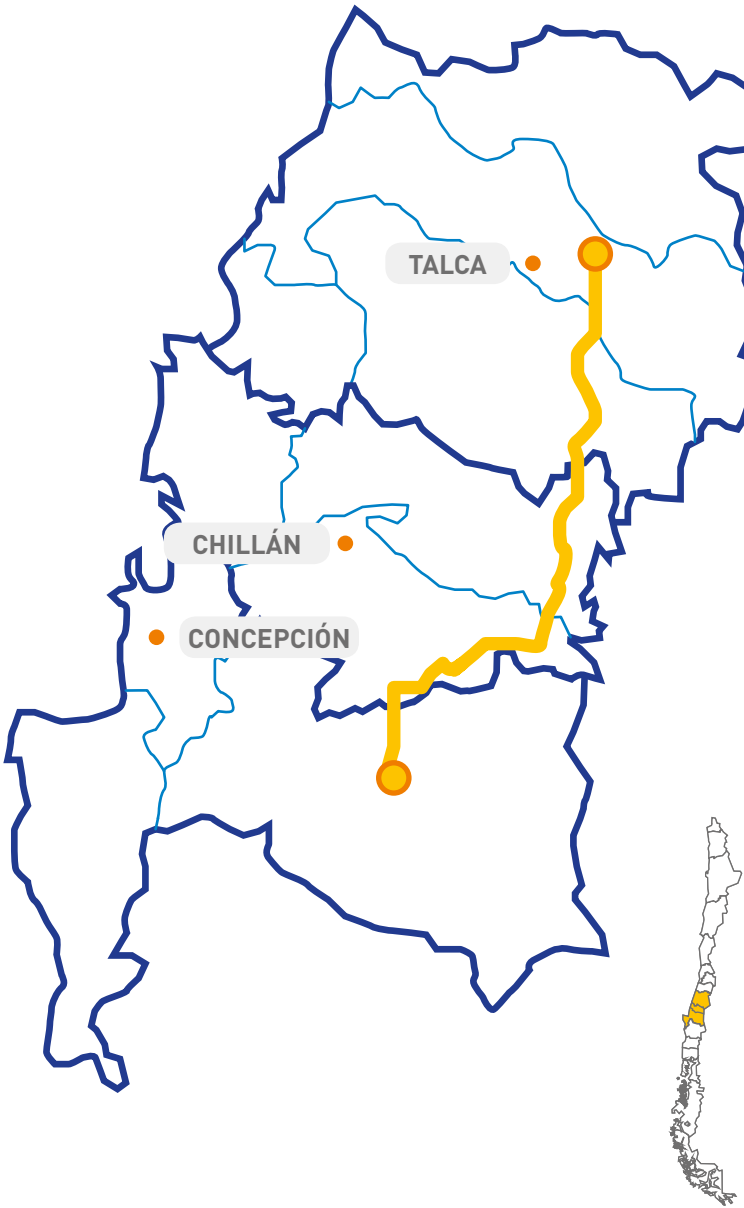
District	⚡	🏠
Colbún	54	1
Linares	43	0
Longaví	63	0
Parral	44	0

ÑUBLE REGION

District	⚡	🏠
Ñiquén	20	0
San Carlos	11	0
Coihueco	72	0
Pinto	14	0
Pemuco	37	0
El Carmen	57	0
San Ignacio	5	0

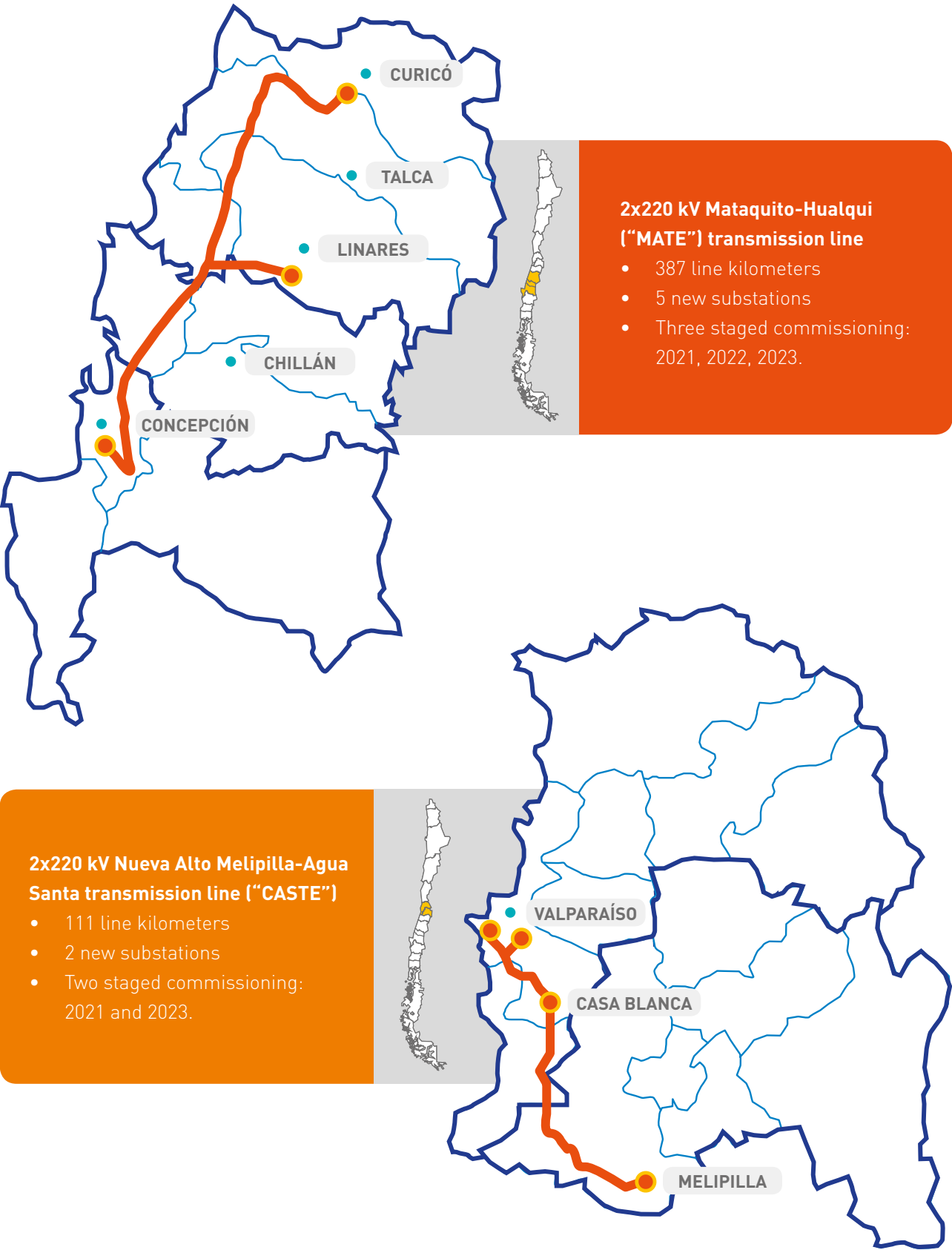
BIOBÍO REGION

District	⚡	🏠
Cabrero	31	1



NO. OF HIGH VOLTAGE PYLONS	451
NO. OF SUBSTATIONS	2
LINE KILOMETERS	198 kms

PROJECTS UNDER DEVELOPMENT



- 2x220 kV Mataquito-Hualqui ("MATE") transmission line**
- 387 line kilometers
 - 5 new substations
 - Three staged commissioning: 2021, 2022, 2023.

- 2x220 kV Nueva Alto Melipilla-Agua Santa transmission line ("CASTE")**
- 111 line kilometers
 - 2 new substations
 - Two staged commissioning: 2021 and 2023.

2.1.2 Corporate Principles:
Mission, Vision and Values

[102-16]



MISSION STATEMENT

Contribute to the economic and technological progress, social welfare and sustainability development through investments in safe, reliable and efficient power infrastructure.



VISION STATEMENT

Become a model Company in the power infrastructure market, committed to excellence, with a solid environmental, social and governance culture involving all our stakeholders, in the creation of value.



VALUES

- 1) Appreciation for life and the environment.
- 2) Customer and stakeholder oriented.
- 3) Honesty, respect, and transparency.
- 4) Commitment, effort and consistency.

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

We are committed to satisfying our **clients and stakeholders**, anticipating their needs, and exceeding their expectations. We strive to provide **excellent** service, every day.

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

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

2.2 SHAREHOLDERS



Elecnor, pioneer in infrastructure development for electrical transmission

ELECNOR S.A. is the parent company of a group comprising almost 80 companies, located in Spain, and in over 50 countries.

It is an organization involving over 15,000 professionals. In Spain, both Elecnor and its national subsidiaries operate directly, and abroad, it does so via local subsidiaries, or with export projects carried out directly from the parent company.

Its corporate structure is reflected by grouping it into two major business divisions, which are: Infrastructure, oriented to the execution of engineering, construction and service projects; and Concessions, the unit through which ELECNOR makes investments in energy infrastructure assets which allow for the execution of large projects at origin, generating revenue from their promotion, execution, operation, maintenance and exploitation.

With over 60 years of continuous growth and presence in over 50 countries, Elecnor has become one of the most outstanding Spanish business groups and a benchmark in the infrastructure, renewable energy, and new technology sectors. Diversification of its activities has been one of the strategic axes throughout its history, which has enabled it to cover various sectors ranging from energy, gas, industrial plants, railways, telecommunications, water, control systems, construction, environment, facilities maintenance, and even aerospace engineering.

Its strong international vocation has led to a continuous expansion process which has opened doors for new markets throughout the world, the main ones in America, Africa, Australia, and the Middle East.

In short, a Group whose technical and financial solvency enables it to promote, develop and build all kinds of infrastructure on the five continents.

APG, solid Collective and Joint Pension Funds administrators

APG is the largest pension organization in the Netherlands, providing services such as executive consulting, asset management, pension management, pension communications and employer services.

It carries out these activities on behalf of (pension) funds and employers in sectors of education, government, construction, cleaning and glass cleaning, housing associations, energy and utility companies, sheltered employment, medical specialists, and architecture.

APG manages €488 billion (March 2020) in pension assets for its clients in these sectors. APG works for over 22,000 employers, providing pension for one in five families in the Netherlands (over 4.7 million participants).

APG's motto is "Tomorrow is today". This sends a message saying that APG works hard every day to ensure tomorrow's pensions. It also underlines that a good investment strategy and good pension management today, are the basis for a good pension in the future. Also, the motto constitutes APG's guide to corporate social responsibility. The management approach focuses, in part, on creating a livable world for current and future generations.



2.3 10 YEARS OF HISTORY

2009

Awarding of the first project, Alto Jahuel.

2010

Registration, at the Comisión para el Mercado Financiero (Commission for the Financial Market) (formerly SVS), of the Alto Jahuel Transmisora de Energía S.A. (AJTE) corporation.

2011

Celeo Redes Chile Limitada is incorporated⁵.

First year of progress of the Alto Jahuel project (AJTE) and obtainment of financing for construction.

⁵ By the time of publishing of this report, Celeo Redes Chile Limitada changes its name from Celeo Redes Chile to Celeo Chile.

2013

Publication of the decree awarding the Charrúa project (CHATE).

Assembly of the Ancoa-Alto Jahuel project structure (2013).

2012

Awarding of the trunk transmission project titled Charrúa - Ancoa 2x500 kV Line: first circuit.

The Business Development Management office is created to strengthen the search for new opportunities.

The Operations Management office is created to oversee the construction of works commissioned to third parties and, subsequently, lead the operation and maintenance thereof.

2014

The Dutch Pension Fund manager, APG, acquires 49% of Celeo Redes.

The Legal Services unit is created to support business processes and ensure regulatory compliance.

The O&M unit is created to execute operation and maintenance for the projects.

Manuel Sanz and Dirk Hovers on a field visit to the construction of the Ancoa- Alto Jahuel project (2014).

Excavation for concreting in the construction of the Ancoa-Alto Jahuel project (2012).



Equipo de Mantenimiento de CELEO zona Maule (2015).

2015

The Ancoa - Alto Jahuel project was commissioned in September and began operating from the control center.

Implementation of the Integrated Quality, Environment and Safety and Health Management System (SIG CMASS).

2017

Bond issuance in the international and domestic markets for an amount of MUSD 600, achieving the best financing award of the year in Latin America.

The Charrúa - Ancoa project was commissioned by December.

First certification of the Crime Prevention Model.

2016

Awarding of the Diego de Almagro project (DATE).

Inauguration of the maintenance base in Talca.

Deployment of the Celeo Crime Prevention Model.

Incorporation of the new "Celeo Redes Chile Limitada" corporation, transforming the previous one into "Celeo Redes Operación Chile S.A." with the goal of issuing bonds in Chile and the United States.

Laying of the conductor on arrival at the Charrua substation.



Inauguration of the Charrua-Ancoa 2x500kV line (2018).

2018

Awarding of the Mataquito - Hualqui project.

Awarding of the Nuevo Alto Melipilla - Agua Santa project.

CMASS SIG certification under ISO 9001: 2015, 14001: 2015 and OHSAS 18001: 2007.

The first stage of the DATE project is energized in August.

Launch of the Sustainability Policy.

First time involvement in the international GRESB ranking, raking third in the electrical transmission infrastructure companies category.

2.4 WE TRANSMIT ENERGY: CONTEXT OF OUR SECTOR

Celeo conducts activities in the energy field, specifically in the transmission segment.

Energy is transported from generation sources to cities, factories, and mining operations via high-voltage transmission lines. Subsequently, it is received at the substations, where it is converted to low voltage for distribution to end users.

The Sistema Eléctrico Nacional (National Electricity System) (SEN) has three relevant sectors: generation, transmission, and distribution.

SECTORS OF THE ELECTRICAL INDUSTRY

GENERATION	In the production of electricity, covering all technologies available in the market.
TRANSMISSION	Corresponds to the set of electrical lines and substations which allow for the transportation of energy, from generation locations to substation conversion.
DISTRIBUTION	Is the one in charge of carrying the energy from substations to the end customer.

Source: Own development.

2.4.1 National Electricity System

Following the connection between Sistema de Transmisión del Norte Grande (Norte Grande Transmission System) (SING) and Sistema de Transmisión Central (Central Transmission System) (SIC) in 2017, the Sistema Eléctrico Nacional (National Electricity System), totals 35,375 km of lines from Arica to Chiloé.

As of December 2019, it had a 25,206.1 MW installed capacity, with a 77,381.8 GWh annual production and a maximum hourly demand of 10,792.8 MWh, according to statistics from Coordinador Eléctrico Nacional (National Electricity Coordinator) (CEN).

WHICH ACTORS ARE INVOLVED IN THE INDUSTRY?

In Chile, transmission companies belong to private capital, while the State plays a regulator, inspector, and planner role in terms of project development and performance standards. These functions are delegated to four fundamental entities for the proper operation of the electrical system: The Energy Department, the Comisión Nacional de Energía (National Energy Commission) (CNE), the Superintendencia de Electricidad y Combustibles (Superintendence of Electricity and Fuels) (SEC) and the Coordinador Eléctrico Nacional (National Electricity Coordinator) (CEN).



The Department of Energy is the state institution responsible for preparing and coordinating the various plans, policies and regulations for the development of the country's energy sector, and thus ensure that the entire country can safely access energy, at reasonable prices.



CNE is a technical body in charge of analyzing prices, tariffs and technical standards to which energy production, generation, transport and distribution companies must adhere, in order to have a sufficient, safe and good quality service, compatible with the most economical operation.



CEN is a technical and independent body in charge of coordinating and operating the set of facilities of the Sistema Eléctrico Nacional (National Electricity System) which operate interconnected to each other. It also controls transmission lines expansion planning, the definition of complementary services and the inclusion of new security technologies into system operations.



Finally, SEC is the main public agency overseeing the energy market in Chile.



The Department of Environment, for its part, fulfills the role of approving energy projects via the Servicio de Evaluación de Impacto Ambiental (Environmental Impact Assessment Service) (SEIA), which oversees assessing and rating projects. This makes it a key player in the process of obtaining permits for the development of energy projects. It is also in charge of ensuring compliance with environmental commitments acquired by private companies within the environmental assessment via Superintendencia de Medio Ambiente (Environment Superintendence) (SMA).

2.4.2 Regulatory framework

The regulatory framework for transmission in Chile is governed by the “General Law of Electric Services” (LGSE) DFL No. 1 of 1982, which defines the technical and safety standards governing an electrical installation, regulates generation, transmission and distribution services, considers electrical concessions and easements as well as defines the party in charge of the system coordination and operation.

The Department of Energy proposed a set of measures to be adopted based on various scenarios in sustainability matters via its Energy Policy 2050 and Energy Road to 2022.

Energy Policy 2050⁶



The Energy Policy proposes a vision of the energy sector for 2050, corresponding to a reliable, sustainable, inclusive, and competitive space. This vision follows a systemic approach to achieve and maintain reliability of the entire system, while meeting sustainability criteria.

To achieve this vision, the 2050 Energy Policy published in 2015 is supported on 4 pillars: 1) Supply Safety and Quality, 2) Energy as a Development Engine, 3) Compatibility with the Environment and Efficiency and 4) Energy Education. The various measures and action plans proposed until 2050 should be developed on these foundations.

Energy Route 2022⁷



It seeks to address the country’s energy challenges as a complement to Chile’s Energy Policy. The Energy Road is the navigation map of the sector and will allow to meet points of view in the public, private and civil society sectors.

It sets 10 commitments to be fulfilled in 2022, in which it is expected to: (1) Draw up an energy vulnerability map of the country, (2) Modernize energy institutions, (3) Reduce environmental processing times, (4) Increase small-scale renewable distributed generation capacity, (5) Increase the number of electric vehicles in circulation, (6) Modernize the regulation of electricity distribution, (7) Regulate solid biofuels such as firewood and its derivatives, (8) Set a regulatory framework for efficiency, (9) Start the process of decarbonization of the energy matrix, (10) Increase training in management and sustainable use of energy.

Note: To learn more about the Energy history in Chile, please visit: <http://www.energia2050.cl/es/historia/>

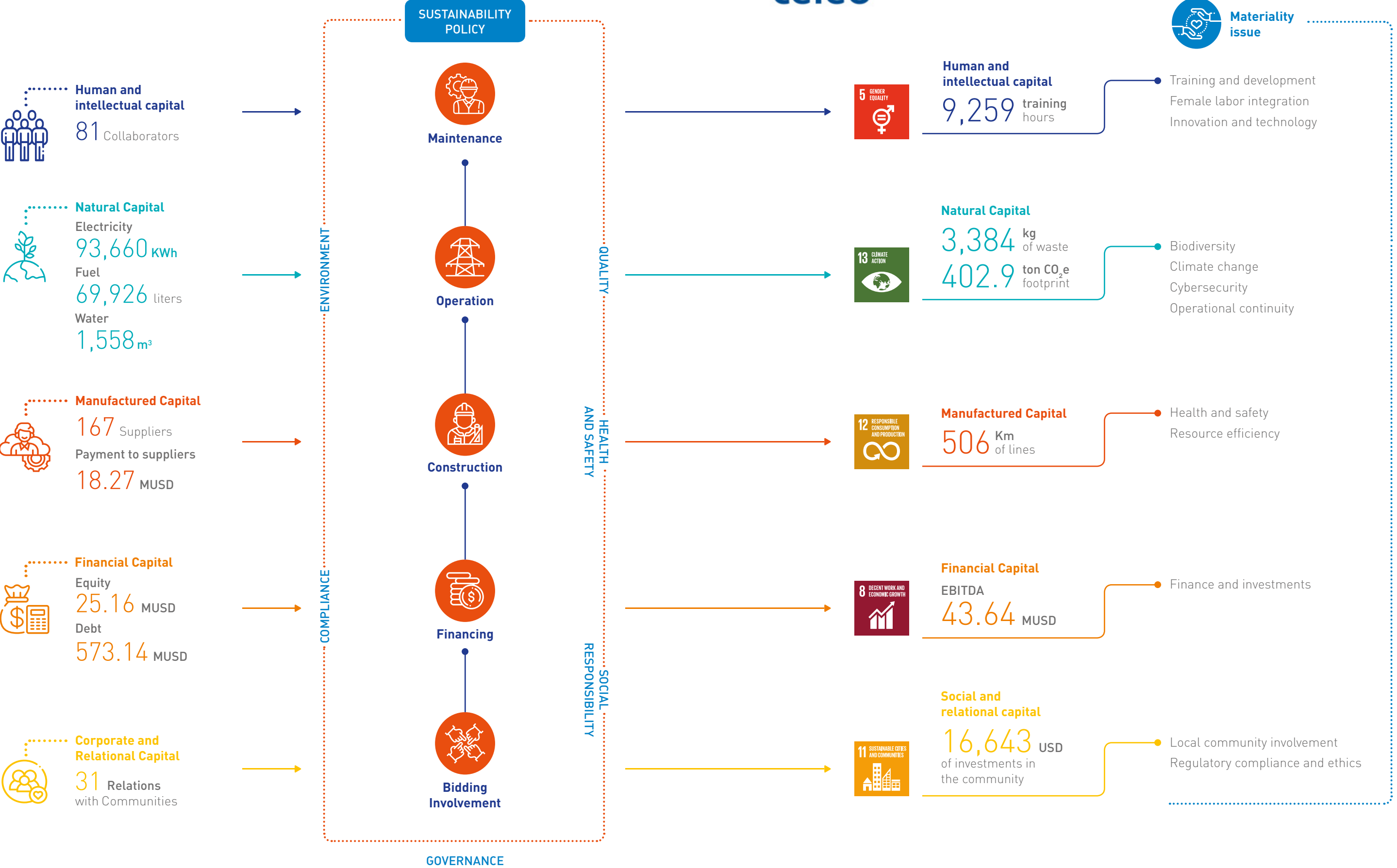
⁶ To learn more about the 2050 energy policy, please go to: http://www.energia.gob.cl/sites/default/files/energia_2050_-_politica_energetica_de_chile.pdf

⁷ To learn more about the energy road to 2022 please go to: <http://www.energia.gob.cl/rutaenergetica2018-2022.pdf>



Ancoa-Alto Jahuel 2x500 kV line.

2.5 VALUE CREATION CYCLE



2.6 STRATEGY

Celeo's strategy includes a continuous search for improvement in management and sustainability practices, reflecting the guidelines defined by its shareholders, Grupo Ecnor and APG.

In the search for efficiency, it began a review of its management practices via the Integrated Management System (SGI) certification pursuant to ISO 9001, ISO 14001 and ISO 45001 standards.

The adoption of these comprehensive processes shows the Company's commitment to seeking satisfaction from its various stakeholders, which ensures greater

business efficiency and compliance with socio-economic and environmental commitments. This strategy creates value not only for shareholders, but also for our society.

In addition to the above, Celeo Chile holds a continuous search to manage risks and opportunities in order to develop the business and thus maintain its operational continuity and obtain the awarding of new projects.

2.6.1 Risk Management

[102-15, 102-29, 102-30, 201-2]

Three lines of defense

During 2019, Celeo adapted its risk management model to the Three Lines of Defense (3LD) framework, based on the recommendations of the *Committee of Sponsoring Organizations* (COSO). It is a widely accepted model that clearly assigns responsibilities for risk management and oversight. The model includes three lines of defense.

- **First line:** operational management as risk owners, responsible for managing and deploying corrective actions in the face of process deficiencies or control areas. Corresponds to the operations, financial, legal, IT and business development units, as well as, in general, all employees and middle managers. Report to the local Executive Board, control units and Sustainability Committee.

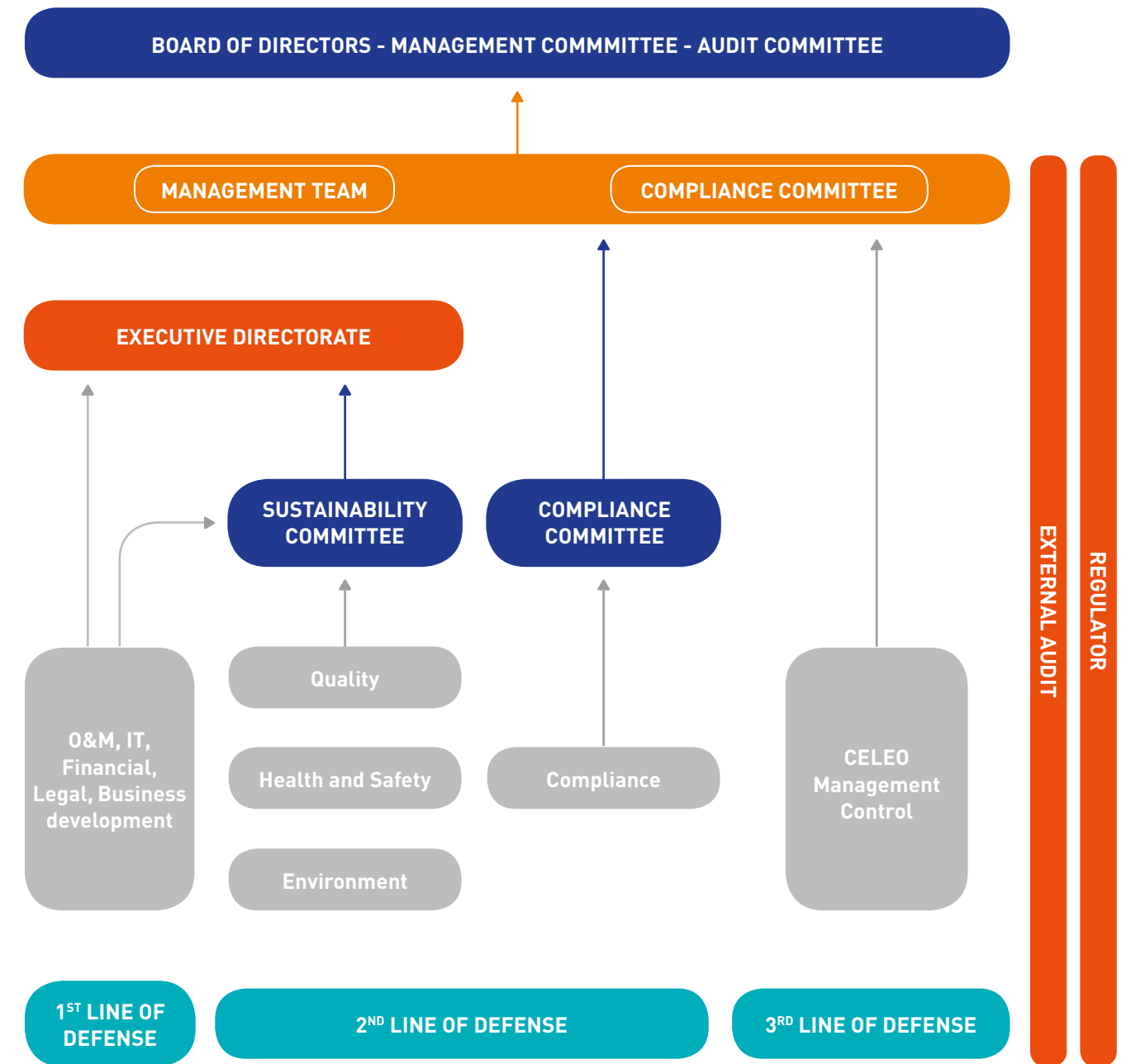
- **Second line:** units in charge of assurance, supervision and risk monitoring tasks, monitoring compliance with control measures on risks and therefore maintaining

continuous collaboration with the 1st Line of Defense in the identification and assessment of risks, as well as in the deployment of control measures. These units correspond to Quality, Safety and Health, Environment, and Compliance. The first reports to the Sustainability Committee and the second reports to the Compliance Committee.

- **Third line:** independent internal audit, which objectively and independently oversees all control systems, reporting to the Board. This function is performed by the *Management Team* with the support of Celeo's management teams, defined via the *Corporate Service Agreement*.

To finalize the model, there are external agents, auditors, and regulators, who provide additional independent assurance.

Risk Management Framework



Celeo Risk Management Framework according to COSO Model.
Source: Quality, Environment, Safety and Health Unit.

Risk assessment

The current Risk Management model includes two assessment and action levels:

a. Business Risks

The Sustainability Committee leads the identification, analysis and assessment of business risks that may impact the fulfillment of the organization's transversal objectives, mission, vision, and values (MVV). Divided into:

1 Financial Risks: Related to fluctuations in the financial markets and impacts these could have on the immediate results or on the future growth of the Company.

2 Strategic Risks: Related to changes in the energy sector, the environment in which the Company operates, regulatory changes or strategic agreements with Stakeholders, as well as social (human resources, safety and health and community) and environmental aspects.

3 Operational Risks: All those related to the service supply, the facilities, and the fulfillment of the obligations to Stakeholders.

The management tool used for the identification, assessment and control measures for business risks is the Business Risk Matrix prepared by the Sustainability Committee, with the approval of the executive management. The latter in turn reports to the *Management Team*.

b. Risks in processes

All those risks related to the operation and functioning of the Company, to the facilities and the fulfillment of the obligations to Stakeholders, to the environment and to health and safety. Process risks are divided into Quality Risks, Environmental Risks, Health and Safety Risks, Social Risks, Compliance Risks, and IT Risks.

The tools used for the identification, assessment and control measures for process risks are 6 risk matrices (Quality, Health and Safety, Environmental, Social Risks, Compliance, IT) with validity and updating duties assigned to the control units of the second line of defense. They are prepared by each control unit, with the approval of the Sustainability Committee and the Compliance Committee, in the case of the compliance matrix.

Finally, monitoring and reviewing risks is a continuous task, as is communication and consultation with workers.

Emerging Risks:

Given the context lived in Chile during 2019, Celeo Chile has identified three emerging risks:

- **Political and social situation experienced in the country, could affect economic stability, which is a scenario to be monitored.** In view of the situation experienced during October, the Sustainability Committee held an emergency session to reassess the situation within the business risk matrix, verify the performance of controls deployed and define new measures to address the situation in the country. In addition to the above, the committee decided on the relaunch of a Corporate Social Responsibility Committee, the review and update of the management procedure to suppliers, while also seeking an approach towards responsible management with this group of interest. In this context, the Committee defined time flexibility measures for employees who have to travel further to the workplace, transfer buses for those who had no means of transportation, among other measures.

- **Cybersecurity may affect proper service operation and availability.** Celeo developed a general IT plan, which was shared with its subsidiaries in Chile and Brazil and included new policies and procedures in addition to technical improvements and training. The deployment of restricted and segmented access controls to the Company's networks was determined in regard to action measures, in addition to monitoring thereof and a training campaign for workers, along with the development of IT unit policy and procedures.

- **Climate change, which causally relates to impacts it could have on the company and its development in the future.** As a line of action, Celeo confirms its adherence to the United Nations Global Compact, ensuring its commitment to the Sustainable Development Goals and the deployment of eco-efficiency programs. In turn, the identification of a framework for the assessment of risks related to resilience in the face of events that - as a result of climate change - could affect operations is also included.

Pandemic: Given the emergency situation due to COVID-19 in early 2020, measures have been taken at Celeo Chile primarily related to safeguarding the health of workers and ensuring operational continuity of the service.

2.6.2 Cybersecurity

[103-2, 103-3]



Santiago office.



technological development in energy generation, transmission, and distribution.

Comité Chileno del Consejo Internacional de Grandes Redes Eléctricas [Chilean Committee for the International Council of Large Electrical Systems] (CIGRE) has created a technical group comprising 25 industry players such as companies, suppliers and institutions, including Celeo, with the mission of preparing a document with cybersecurity recommendations in critical electrical infrastructures, to face this new reality.

Similarly, CEN published a campaign aimed at companies in the industry with the goal of having energy companies adopt, as a first step, 13 urgent Cybersecurity measures, on which Celeo is already working.

The Company has identified the risks to which its information systems are exposed as an initial step to develop an action plan enabling to anticipate and respond to potential threats.

The Information Security Officer (CISO) was appointed for this purpose, and trainings were held for workers who sought to provide risk identification and reporting tools in this matter.

In a global world, where everything is instantaneous and millions of bits of data are processed every day, cybersecurity has become one of the most important organizational challenges.

Cyberattacks were conducted in Chile during 2019, many of which impacted organizations with portfolios of thousands of customers and who handle sensitive information. According to data from Policía de Investigaciones (Investigations Police) (PDI), computer crime has increased by 74% since 2015.

Globally, the energy industry has not been oblivious to this problem. Control systems used for the monitoring and operation of electrical systems have also become targets of cyberattacks due to the large amount of sensitive information handled as a critical infrastructure, having a direct relationship with supply security for the country.

The energy industry is a part of cybersecurity strategies in various countries, especially those with the greatest

Cybersecurity Prevention

The velocity with which the industry has been including new technologies has left it exposed to new cybersecurity risks.

Given the importance of the energy service and its strategic role for the country, Celeo makes the greatest efforts to ensure cybersecurity in its operations. The above, in order to ensure the operational continuity of energy transmission facilities and supply security for strategic services that depend on its facilities.

One of Celeo's priorities is to promote the existence of a cybersecurity culture to be prepared against possible threats.

Actions were carried out to achieve this objective, which materialize in diagnosis and training:

1

DIAGNOSIS:

A complete internal evaluation was conducted on the dangers that can be counteracted by cybersecurity, for which an *Ethical Hacking* service was hired⁸ in order to define the level of maturity of the organization and collaborators in the event of possible computer attacks.

To this date, two campaigns have been conducted for Celeo workers, to train them in precautions for these risks and where a great reduction was achieved in the number of people who were phishing victims.

Although improvements have been made, Celeo will continue training and raising awareness, among all collaborators, on cybersecurity risks to which they are exposed in order to ensure that 100% of workers manage to face this type of situation adequately.

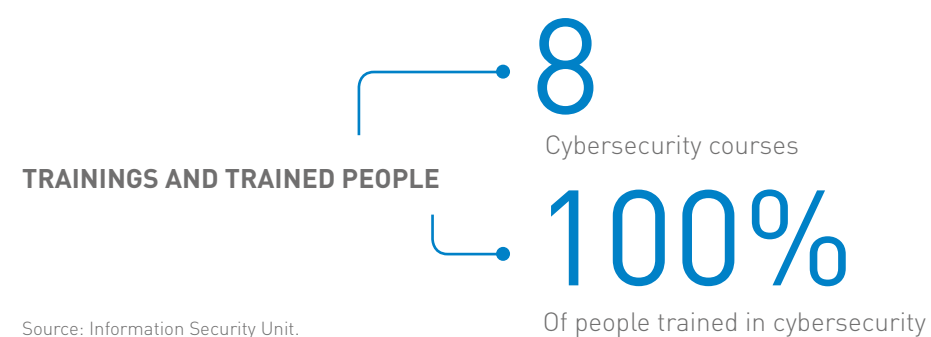
2

TRAINING:

Work was made during 2019, on a training plan to improve knowledge on issues related to computer security for all collaborators. This resulted in 5 members of the IT team participating in the OAS Cybersecurity Symposium. Also, a group of workers attended the Cybersecurity Diploma of University of Santiago, to be at the forefront of knowledge in this matter and continue preparing for possible cyber-attacks, acquiring knowledge, tools and techniques that will allow for the identification and protection of systems and networks from unauthorized intrusions.

Additionally, they were all part of the ISO 27001 Leader course, to develop the skills required to deploy and manage an Information Management System (ISMS).

⁸ The term ethical hacking or white hat on the Internet refers to an ethical hacker, or a computer security expert, who specializes in access tests and other methodologies to detect vulnerabilities and improve the security of an organization's communication and information systems.



Based on the foregoing, Celeo conducted a cybersecurity training program involving all collaborators, comprised of eight modules as indicated below:

- 1) Phishing and ransomware.
- 2) High security Passwords.
- 3) Safe web browsing.
- 4) Public web connections.
- 5) Safe use of mobile devices.
- 6) Safe use of social networks.
- 7) Basic GDPR: data information security.
- 8) Risk of cloud files.



Illapa substation, Atacama region.

2.7 SUSTAINABILITY AT CELEO



Celeo Chile is committed to sustainable development. This is reflected in its sustainability policy, which came into effect in 2018, was updated in 2019, and contains the best practices in the industry, the concerns of internal and external stakeholders, and takes the Sustainable Development Goals (SDG) into account.

It includes five pillars, whose application and compliance are ensured via the Sustainability Strategy.

Sust.



2.7.1 Celeo Chile Sustainability Policy and Strategy

POLICY PILLAR	PILLAR DESCRIPTION	SUSTAINABILITY STRATEGY PRINCIPLES AND ACTIONS
 Quality	Seeks to be a benchmark company in the energy infrastructure market. For this reason, the commitment to quality and continuous improvement is a key pillar for our management.	<ul style="list-style-type: none">• Customer and stakeholder oriented• Compliance with requirements• Continuous improvement
 Occupational Health and Safety	It prioritizes the safety and health of workers, customers, suppliers, supply chain, communities, and other stakeholders above all other requirements.	<ul style="list-style-type: none">• Prevention of injury and deterioration of health• Strengthen prevention culture• Consultation and involvement• Compliance with requirements• Continuous improvement• Zero Tolerance
 Environment	<p>Fosters initiatives promoting greater environmental responsibility, via actions integrated into the strategic plan and decision-making, promoting openness and dialogue with our stakeholders.</p> <p>Maintains a preventive approach including caring for the environment via the assessment, management, and communication of environmental risks.</p>	<ul style="list-style-type: none">• Pollution prevention• Efficiency in the use of resources and waste• Protection of biodiversity and habitats• Disaster resilience and adaptation to climate change• Compliance with requirements• Continuous improvement
 Social Responsibility	Works for a social environment that is based on professional relationships under an ethical, transparent, and long-term standard. In this fashion, it supports and fosters respect between groups of influence and the protection of fundamental human rights, especially those of vulnerable groups.	<ul style="list-style-type: none">• Ethical and lasting professional relationships• Respect for diversity and non-discrimination• Fight against abuse• Well-being and social development• Continuous improvement
 Compliance	<p>Promotes compliance with the Law, supporting and promoting corporate integrity in all activities conducted by its companies.</p> <p>Advocates ethical and transparent behavior of workers, avoiding any conduct that may contravene current regulations or damage the reputation of the organization.</p>	<ul style="list-style-type: none">• Fight against fraud, corruption, conflicts of interest and bribery• Ban on political donations and contributions• Gift delivery regulation• Fiduciary duties compliance• Compliance program• Continuous Improvement• Zero Tolerance

2.7.2 We prioritize our SDGs

Celeo Chile’s commitment to the United Nations (UN) 2030 Agenda, led it to develop a prioritization process for the Sustainable Development Goals⁹ to which it is committed for the coming years.

For its preparation, the Company exhaustively reviewed each of the SDGs in a management workshop held at the Sustainability Committee, defining objectives and goals for compliance.

Following this process, it determined that it contributes to a total of five SDGs. Thereof, it contributes – thanks to its actions, developed programs and those considered to be developed – to some of the 169 goals included in the Agenda.

For the above, the organization is in the process of setting indicators to identify the contribution to each of these goals on a yearly basis.



OUR 5 SDGs



SDG	GOALS	CELEO CHILE COMMITMENT	CELEO CHILE GOAL
5	5.5 Ensure the full and effective participation of women and equal opportunities for leadership at all decision-making levels in political, economic, and public life.	Increase female involvement in the organization.	By 2030, having 30% women in the organization.
8	8.8 Protect labor rights and promote a safe and secure work environment for all workers, including migrant workers, in particular migrant women and people in precarious employment.	Maintain a safe and healthy environment for collaborators.	Zero serious accidents per year for direct collaborators and contractors.
11	11.3 By 2030, increase inclusive and sustainable urbanization and capacity for participatory, integrated, and sustainable planning and management of human settlements in all countries.	Strengthen the link with the communities near our operations.	Deploy 5 projects with communities focused on adaptation to climate change or disaster resilience by 2030.
12	12.2 By 2030, achieve sustainable management and efficient use of natural resources. 12.5 By 2030, significantly reduce waste generation via prevention, reduction, recycling, and reuse activities.	Increase efficiency in the use of Company resources. Increase recycling and decrease waste generation.	Reduce water, energy, and fuel consumption rates by 25% by 2030. Become Zero non-hazardous waste to final disposal by 2030.
13	13.3 Improve education, awareness and human and institutional capacity regarding climate change mitigation, adaptation, reduction of its effects and early warnings.	Contribute to the reduction of emissions to mitigate climate change.	Reduce manageable scopes 1, 2 and 3 emissions by 25% by 2030.

The SDGs selection was also in line with Celeo Chile’s Sustainability Policy and Sustainability Strategy, in addition to the commitments set for 2030 as an organization.

⁹ Sustainable Development Goals are a universal call for action to end poverty, protect the planet, and ensure all people enjoy peace and prosperity. To learn more about SDGs, please go to: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

2.7.3 2019-2020 Sustainability objectives

Every year, Celeo defines sustainability objectives that must be cross-sectionally met by the entire team. The annual fulfillment of these objectives involves the obtainment of a bonus, of a single amount for all workers, which is granted in recognition for the effort and dedication in this matter, by the organization.

2019 GOALS

1. Finish the year with zero accidents.
2. Reach at least 50% participation of workers in environmental volunteering activities.
3. Renew the certificates of our Integrated Management System pursuant to ISO 9001:2015 and ISO 14001:2015, as well as updating our OHSAS 18001:2007 certificate to ISO 45001:2018.
4. Renew our Crime Prevention Model certificate.
5. Improve the results obtained on the GRESB platform.
6. Achieve 100% compliance and development on the cybersecurity training plan and improve computer security indexes.

Regarding the 2019 objectives reported in the previous version of the sustainability report, they were fully achieved 100%.

Regarding the 2020 objectives, these have been defined and reported to the organization.

2020 GOALS

1. Zero lost time accidents.
2. 100% involvement of workers in any socio-environmental volunteering activity.
3. Improvement of our results on the GRESB platform, reaching a 90/100 score or P85 in Global Infrastructure.
4. Overcoming ethical hacking by 100% of workers in nominal operating conditions of our IT system.
5. 100% involvement of workers in at least two compliance related training activities.
6. Achievement within the deadlines set for the new performance evaluation procedure.



Charrúa-Ancoa 2x500 kV line.

2.8 PARTNERSHIPS

(102-12, 102-13)



The Asociación Chilena de Energías Renovables (Chilean Association for Renewable Energy Sources) (Acera) seeks environmental protection and sustainable development for Chile, via the promotion of renewable energy and energy storage. Celeo Chile has been a part of this association since 2012 and is actively involved in its activities.



The Cámara Oficial Española de Comercio en Chile (Official Spanish Chamber of Commerce in Chile) (Camaco) is an institution that facilitates the development of business relations between Chile and Spain, promoting opportunities and contact networks between members, thus contributing to the country's economic, social and business developments. Celeo Chile has been a member since 2012 and chairs its Energy Committee since 2017.



The Consejo Internacional de Grandes Sistemas Eléctricos (International Council of Large Electrical Systems) (Cigre) is a global non-profit organization in the field of high-voltage power. This organization aims to be a technical reference and a knowledge center for Chile, which allows specialists and companies in the electricity sector to access contact and support networks arising from integration in a world-class forum. Celeo Chile is involved in this organization since 2015.



Empresas Eléctricas (Electrical Companies) has the goal of contributing to the progress of the country via the continuous and sustainable development of the electricity sector. Therefore, it has a leading role in the public debate, proposing and supporting energy initiatives. Celeo Chile has been a part of the association since 2015 and is actively involved in its Technical, Regulatory, Legal and Safety Committees.



Global Compact Chile Network promotes and spreads the ten principles of the United Nations Global Compact, in order to mobilize the contribution of the private sector to the 2030 Agenda, with the objective that organizations in Chile are able to integrate SDGs into their strategic guidelines. Celeo Chile is involved in this organization since 2018.



GRESB is an organization in the assessment and comparison of funds and real estate assets and infrastructure portfolios performance around the world in the social, environmental and governance aspects. Membership to GRESB has contributed to the search for internal best practices since 2018.

03

OUR ROADMAP



RESPECT

"In a little over two years at Celeo Chile I have felt part of a great team. This company reflects good professionals, trustworthy people who not only challenge me at the job level, but who have also recognized the value of Respect in me. The most valuable thing is the continuous call of the company to take care of each other, valuing our work and safety, because back home, there is always someone waiting for us."



Cristian Cajas
Maintenance department

Illapa-Cumbre 2x220 kV line.






WE RECOGNIZE OUR VALUES

[102-16]



Celeo holds 4 values¹⁰ which define the actions of the group’s collaborators. Celeo Chile maintains a communication strategy to bring these values closer to each person.

The strategy is to disaggregate these values into:

 Commitment	 Consistency	 Transparency
 Respect	 Honesty	 Effort

Along with the above, a recognition ceremony was held in the year-end celebration activity for the workers who stood out with respect to the Company’s values. The awarding of outstanding workers was made by the Sustainability Committee, a difficult choice because many workers deserved this recognition.

Workers chosen as ambassadors of the values were:



Celeo 2019 ambassadors of values.

LORENA MORALES

From the Administration and Finance unit, for her interest and contribution to **transparency** at work.

CRISTIÁN CAJAS

From the Maintenance unit, for his contribution to **respect for life and the environment** via the activities conducted by the Celeo Chile Sports Club.

JUAN OLIVARES

From the Maintenance unit, for showing that, with **effort**, there is always progress.

BRENDA QUILARQUE

From the Information Technology unit, for her permanent commitment to **customer and stakeholder satisfaction**.

FERNANDO URRUTIA

From the Operations unit, for his permanent contribution **and consistency**.

ÓSCAR ARREDONDO

From the Administration and Finance unit, for his **honesty** in his day to day duties.



Illapa-Cumbre 2x220 kV line.

ON THIS OCCASION, THE FOLLOWING PEOPLE WERE ALSO RECOGNIZED:



CELEO SPIRIT:
Luis Morales from the transmission lines team.



SOCIO-ENVIRONMENTAL SPIRIT:
Ricardo Inostroza, Assistant of the Charrúa substation.

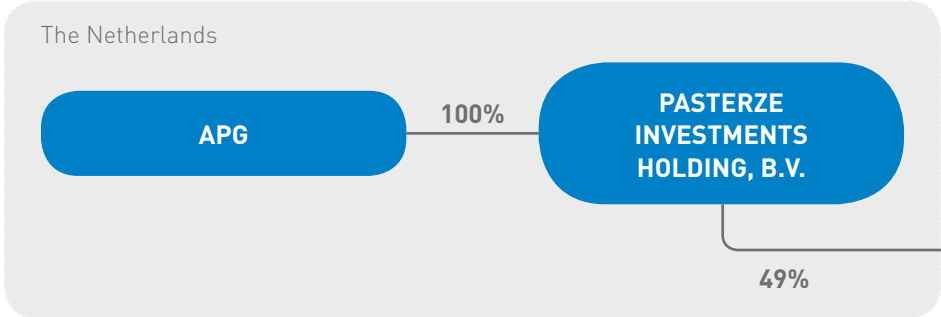


PREVENTIVE SPIRIT:
Leonardo Lobo, Electromechanical Technician of the Atacama zone.

¹⁰ To view these values, please go to section "Corporate Principles: Mission, Vision, and Values" on page 40.

3.1 OWNERSHIP STRUCTURE

[102-5, 102-45]



Celeo Concesiones e Inversiones S.L. (Celeo) is a Spanish company in the promotion, construction, operation and exploitation of energy infrastructure projects, with assets in Spain, Chile and Brazil.

Celeo’s shareholding structure is divided into 51% owned by Elecnor, S.A. and the remaining 49%, of the Dutch fund APG Management N.V., which is one of the largest pension fund managers in the world and materializes its participation in Celeo via Pasterze Investments Holding, B.V.

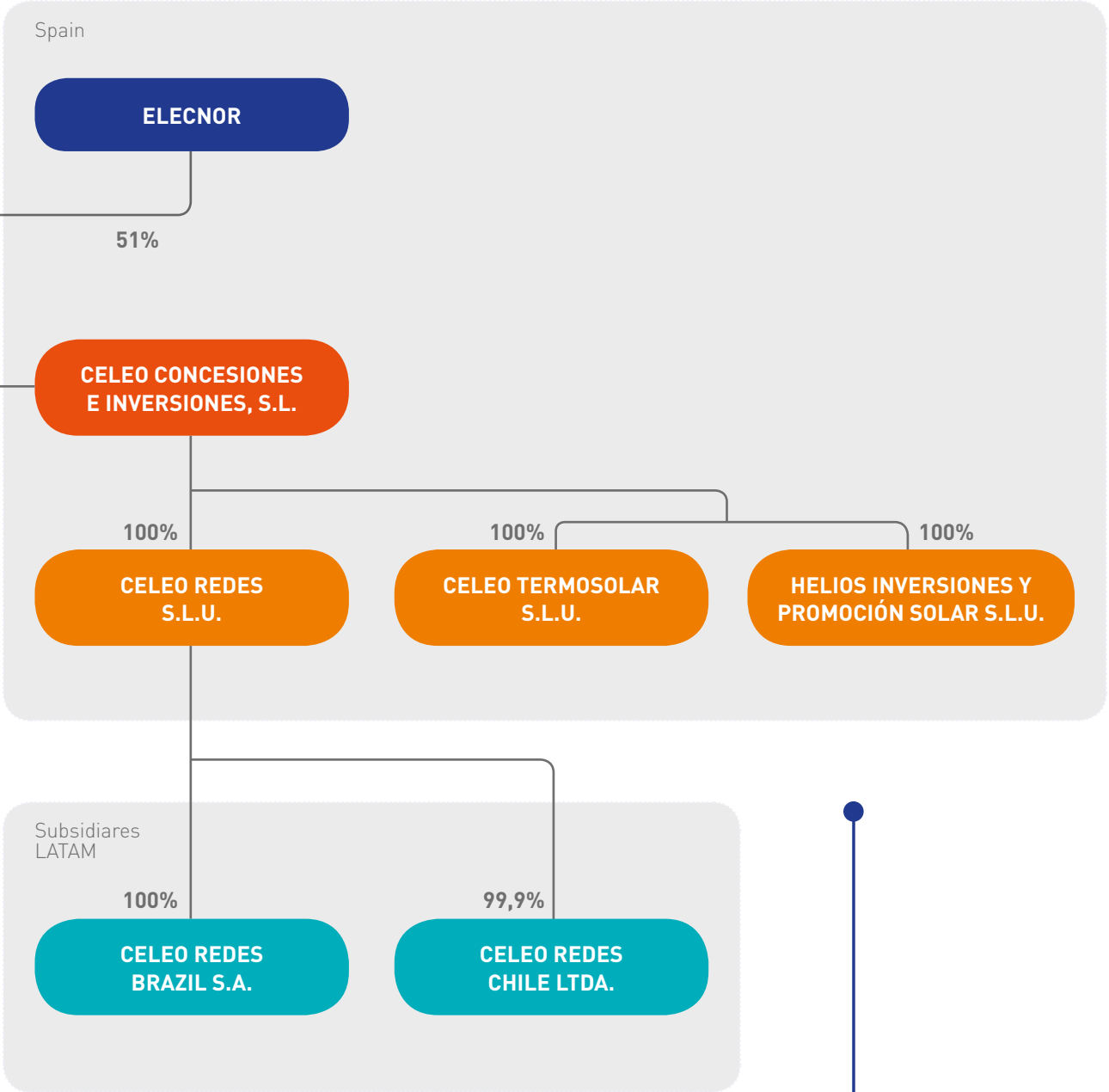
Celeo has, among its Spanish subsidiaries: Celeo Redes S.L.U., which channels its investments in Chile via Celeo Redes Chile Limitada (CCL) and in Brazil via Celeo Redes Brasil S.A. (CBR).

CCL’s ownership is distributed in 99.99% corresponding to Celeo Redes SLU and 0.01% to Celeo.

The Celeo Redes SLU Board of Directors is responsible for appointing the heads, attorneys and managers of Celeo Chile.

In order to ensure the efficiency and agility of its operations and for the due compliance with the local legislation, Celeo Chile has created subsidiary companies to carry out its projects, playing an important role in the financial structure of the company.

Each awarded project is constituted as a joint-stock corporation with an exclusive line of business that enables it to comply with the requirements of the bidding rules and to better manage, coordinate and guide the operation of the project and its subsequent operation.



Source: Celeo Concesiones.

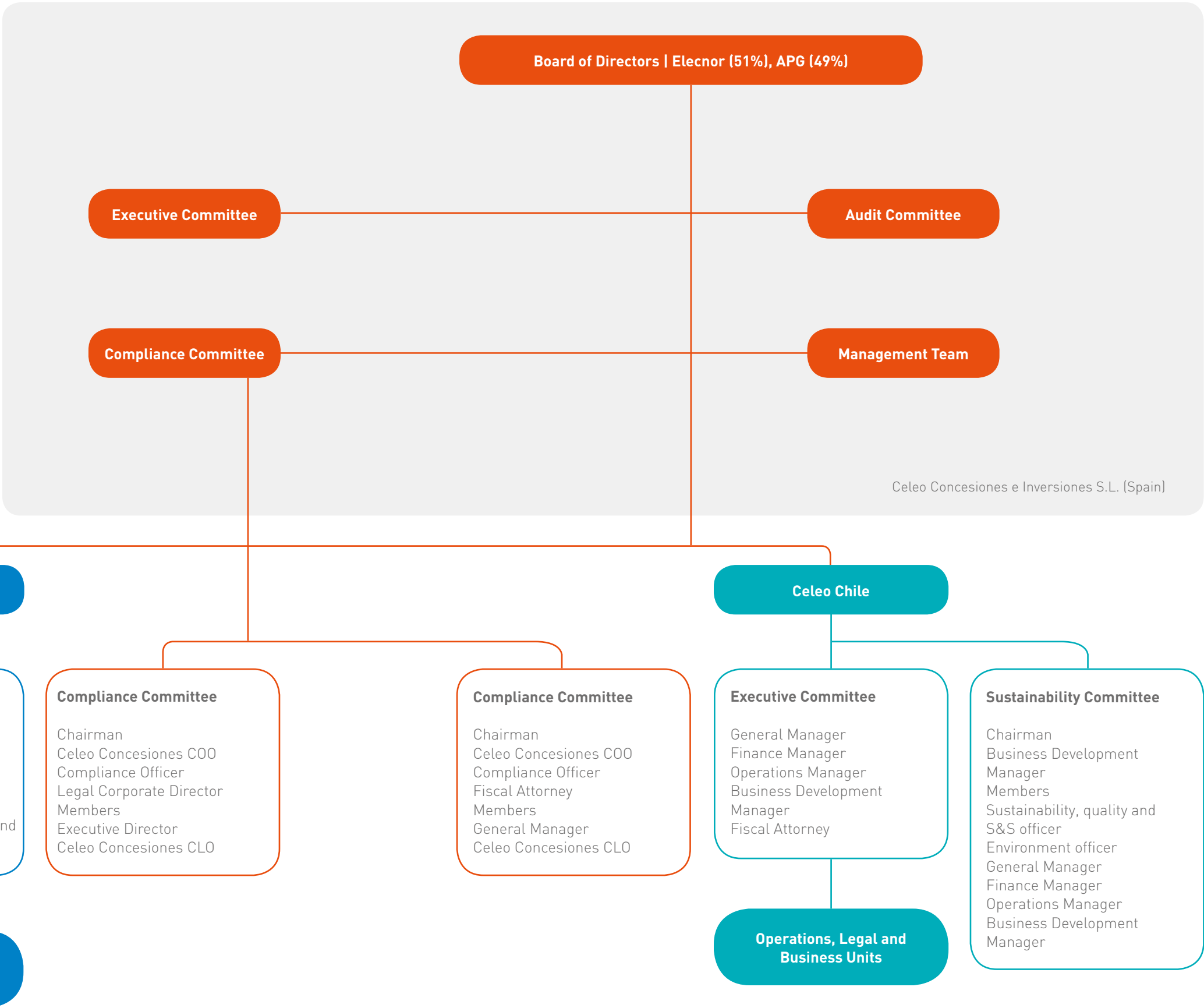
3.2 OUR CORPORATE GOVERNANCE

[102-18, 102-22]

The Celeo Chile Corporate Governance is comprised of the Board of Directors, the Executive Committee and the Audit Committee. The duties of these organizations are supported by the *Management Team*.

Celeo Chile and Celeo Brasil share the same corporate structure since their management teams ensure the proper operation of the business at the Latin American level.

They are responsible for fulfilling both the objectives set by the shareholders, in addition to voluntary and mandatory commitments the company has made, caring for their behavior to be framed in its mission, corporate values and compliance with current legislation.



3.2.1 Board of Directors

[102-23, 102-26, 102-31, 102-32]

The Company celebrated a very relevant milestone in 2019, since by the end of the year, APG and Elecnor consolidated their strategic partnership with the inclusion of the Dutch pension fund into the shareholding of the Celeo parent company, in order to both place their trust on its electricity generation assets in Spain.

Celeo’s governing bodies have adapted to APG’s recent entry-level corporate transaction as a partner in the parent company. Therefore, in 2019, a Board of Directors other than that which began during 2020 was in operation.

In 2019, the Celeo Redes S.L.U. Board of Directors was composed of four male directors, representing the company shareholders, two representing Celeo Concesiones e Inversiones S.L. and two representing APG Infrastructure Pool.

- **D. Joaquín Gómez de Olea y Mendaro (Chairman).**
- **D. José Ángel Lostao Unzu (Secretary).**
- **D. Dirk Hovers.**
- **D. René Defize Quiroga.**

Among the main functions of the Celeo Redes S.L.U. Board of Directors we find the establishment of the

Company’s objectives and strategy, both long and short term, in addition to the proposal for approval of new investments and corporate operations.

The board ordinarily met on three occasions, unanimously approving all resolutions raised therein.

APG

- **Ronaldus Boots**
- **Dirk Hovers**
- **Rene Defize**

Elecnor

- **Miguel Morenés Giles**
- **Joaquín Gómez de Olea Mendaro**
- **Rafael Martin de Bustamante Vega**

The Board of Directors of Celeo Concesiones e Inversiones S.L. was created by early 2020, and Celeo Redes S.L.U.’s was dissolved by that time. The new board is comprised of six male advisers.

The function of the board of directors of Celeo Concesiones e Inversiones S.L., according to the shareholders’ agreement, is to determine the Company’s strategic lines and supervise its management.



Nomination and selection criteria for the Board of Directors

(102-24)

The appointment and selection decision for directors is entirely up to the shareholders, who will define the members for each company: three representatives for the Elecnor Group and three representatives for APG.

The Board of Directors does not have executive directors, nor independent directors.

The members of the Celeo Concesiones e Inversiones S.L. Board of Directors do not receive remuneration, although compensation is included for reasonable travel expenses in the exercise of their duties, which in no case involve significant amounts of money. All members of the Board of Directors have the required and remarkable knowledge and experience in the field of sustainable investments and infrastructure for the exercise of their duties.

3.2.2 Audit Committee

The Audit Committee has the following powers:

- 1 Designation, compensation, retention and supervision of the audit firms for the company and its subsidiaries.
- 2 Setting procedures for the handling of accounting or auditing controversies.
- 3 Involving the advisers required to support the audit work.

The Audit Committee is composed, as of February 2020, by:

- **D. Joaquín Gómez de Olea y Mendaro (Chairman).**
- **D. Miguel Morenés Giles.**
- **D. Dirk Hovers.**
- **D. René Defize Quiroga.**

3.2.3 Executive Committee

The Executive Committee has been assigned the duty of analyzing the progress of the Company's business in line with the strategic lines approved by the Board of Directors.

The Executive Committee is composed, as of February 2020, by:

- **D. Miguel Morenés Giles (Chairman).**
- **D. Dirk Hovers (Vice Chairman).**
- **D. Rafael Martín de Bustamante Vega.**
- **D. René Defize Quiroga.**

3.2.4 Compliance Committee

The Compliance Committee is one of the governance bodies whose objective is to develop the Compliance System with the instructions of the Celeo Board of Directors. It also handles complaints received by the reporting channel, responding to possible non-compliance and receives and assesses annual reports submitted by the Compliance Officer, in each country. It also oversees compliance committees at the subsidiary level.

It has a compliance dissemination policy, which is coordinated within the Group, and is concerned with the development of training for employees on this matter.

3.2.5 Management Team

The *Management Team* provides advice and support to the Board of Directors, regarding the overall strategy of the Company and its subsidiaries and is responsible for implementing the decisions of the Board of Directors in addition to the daily operation of the Company.

Among the main functions of this team, there is the development of environmental, social, governance and compliance policies applying to the Company and its subsidiaries, the preparation of the objectives to be achieved, and the annual reports, coordinating external audit activities in the formulation of reports. To this end, they make periodic reports to the Board of Directors and maintain direct contact with the rest of the governing bodies of the subsidiaries, Sustainability Committees, Compliance Committees and Executive Management Teams.



MANAGEMENT TEAM



**CEO. Jose
Ángel Lostao**

With a background in Industrial Engineering, started in Elecnor in 1983 in the Substations Engineering Department. Later on, he was responsible for the Exterior Substations and in 1993 was appointed as Director for the Energy Transformation business, later called Energy and Railways business. In 2009, José Ángel became CEO, managing all assets within Celeo.



**CFO. Santiago
Oraa**

Studied Business & Administration and joined Elecnor in 1999 to work in its Management Accounting department. When Elecnor acquired Ehis Riesgos in 2001, Santiago started with the implementation of the corporate management systems. In 2003 he became Administration manager of the Environment business unit before returning to the Management Accounting department for Elecnor in 2005. In 2009, Santiago was appointed CFO of Celeo.



**COO. Jaime
Sáenz**

Holds a Bachelor's Degree in Electromechanical Engineering, a Master's Degree in Industrial Engineering from the Comillas Pontifical University of Madrid, and an Executive M.B.A from the IESE Business School. In 2019, he concluded a Compliance Programme from CEU Institute for Advanced Management Business School. Jaime worked as an electrical engineer for HV in Unión Fenosa, and joined Elecnor in 1997, assuming several roles until 2009, including business development, project manager, and managing director for large industrial plants business unit. In 2009, he joined Celeo as COO.



**CIO. Ángel
Ortega**

MBA (Instituto de Empresa) and MSc in Civil Engineering (Polytechnic University of Madrid), started his career in the infrastructure sector in 2001. Until 2007, he worked for Dragados (ACS Group) and San José Construction, taking several positions during this period, from project engineer to construction manager. In 2007, he joined Globalvia as Investment Director for PPPs in Europe and Americas, leaving it in 2011 to become part of the management team at Celeo and accelerate further growth of investment in energy sectors.



**General Counsel
Alberto
Ferrández**

Bachelor's Degree in Law (UCM) and PDD (IESE), he worked in the law firms Davies Arnold Cooper and Allen & Overy since 1990, before joining Elecnor's legal department in 1998. During his career he gained national and international expertise in corporate and commercial matters, M&A and project financing. In 2009, Alberto became Head of the Legal Department at Celeo. He's also the non-director Secretary of the board of directors of Celeo. In 2019, he concluded a Compliance Programme from CEU Institute for Advanced Management Business School.

CELEO IN BRAZIL



Brazilian operations have a significant participation in the local market, with a presence in 13 Brazilian states. Its portfolio consists of 4,757 kilometers of transmission lines, 56 substations and 16 Special Purpose Companies (SPE).

Subsidiaries in Chile and Brazil collaborate permanently, sharing their best practices and aligning strategies and work procedures. The fluent communications between the two companies have enabled us to move forward in a coordinated fashion towards meeting corporate goals, consolidating the Celeo brand presence in the region and projecting it as one of the leading companies in the electrical transmission sector.

Technical Workshops for the exchange of knowledge are held annually as a part of the coordination activities, a formal instance to account for how the teams have developed strategies to face various operational challenges.

The complete work has been poured into aligning actions and strategies in sustainability in its entire scope. From risk management, measurement and control of impacts on the environment, health and safety, social sphere, to human resources, among others.



Celeo Brazil team.

3.3 EXECUTIVE MANAGEMENT

The Executive Management Team is responsible for exercising the administration, management and organization of the Company in its daily operations, making periodic reports to the *Management Team* and the Board of Directors.

EXECUTIVE MANAGEMENT



General Manager, Manuel Sanz Burgoa

Mining Engineer, Energy and Fuel Specialist. He started his career in 2005 on the field of renewable energy, participating on the development, construction, commissioning and operation of solar PV, Cogeneration and Biomass projects working for several companies such as Enerpal, OTSI, Renovalia, and Conergy. He joined Celeo Redes in 2010 as Operations Engineer, becoming General Manager at Celeo Redes Chile in 2013. Since 2017 Manuel has been Director of the Spanish Chamber of Commerce, being its Energy Committee President.



Finance and Administration Manager, Eduardo Jofré Pérez

BS in finance and economics. Post graduate in Finance. 15 years experience in financial and business operations of local and multinational corporations. He has held senior management positions both in the corporate banking and project finance industries. Eduardo joined Celeo Redes in 2010 for the start up of the Alto Jahuel project, where he had a key role to establish first operations and a business structure. Other achievements were to set up a financial plan to secure funding for the Alto Jahuel Project, and building a platform to support future needs of administrative and financial services among the SPV's and holding company.



Operations Manager, David Zamora Mesias

Electrical Engineer with a Bachelor's degree in Business Controlling. 11 years experience in Operations and Maintenance of power transmission equipment of local corporations. David joined Celeo Redes Chile on June 2014, where he played a key role in the organization of maintenance and operations teams, defining staffing structures, budgets, tools and instruments requirement, control room implementation among others. On January 2017 he assumed as Operational Manager.



Business Development and Regulatory Affairs Manager, Claudio Tabilo Berríos

Electrical Engineer with an MBA, started his career in 2002 in the Customer Area at Endesa Chile, the main electrical company in the country, assuming several positions until 2012, including Head of Customer Area, being responsible of PPA negotiations, and Deputy Commercial Manager at Pehuenche, a hydro electrical company, subsidiary of Endesa Chile. In 2012 he joined Celeo Redes Chile as Business Development Manager.



Head of Legal Department, Cristián de la Cruz Bauerle

Senior Counsel with a LLM on Business Law, ten years of experience in energy projects, starting his career at Sonacol S.A., Ibsa Group and Celeo Redes since 2013, responsible of corporate matters, trials and procedures monitoring, due diligence on financing energy and infrastructure projects, transactions, project agreements (EPC/O&M), and the implementation of the company's compliance program.

Nota 1: Claudio Tabilo held the Business Development Manager position until his departure from the Company in February 2020. Celeo Chile is currently looking for candidates for his replacement.

Nota 2: Currently, the bonus policy for achievement of goals applied to executives in Brazil and Chile covers the requirement of alignment of salary for the achievement of goals and risk tolerance defined by the company.



Substation Cumbre, Atacama region.

3.3.1 Sustainability Committee

[102-19, 102-20]

The Sustainability Committee is composed of the members of the Executive Management team in addition to those responsible for the Sustainability, Quality, Environment, and Health and Safety units.

The main duties of the Committee are the local development of the parent company's principles of sustainable action, incorporating these principles into the company's environmental, social and governance policies, in addition to supervising their proper deployment.

Ensuring the validity and maintenance of the Certified System for Quality, Environment and Health and Safety at Work Management, which is approved by the highest collegiate body, is part of its duties.

Similarly, it is the responsibility of the Sustainability Committee to maintain a relationship program with Stakeholders, defining and activating specific plans for this purpose. Annually reporting on the activity of the Company in matters of sustainability via the GRESB platform and sustainability reports.

It also ensures the fulfillment of commitments to the United Nations Global Compact, proposing changes, improvements and modifications to sustainability plans and policies; implementing activities, supervising the spread and communication processes of sustainability policies along with their corrective actions.

During 2019, the Sustainability Committees of both countries have promoted the development of a joint corporate tool for managing ESG indexes (Corporate Management Tool - COMAT), which will streamline management in these fields and allow for a comprehensive view of the group.



3.3.2 Compliance Committee

The Compliance Committee's main duty is to develop prevention policies and provide supervision for the proper application of the Crime Prevention model. Similarly, it acts as a collegiate body in the exercise of the duties inherent to the compliance body, pursuant to its statutes and current Law, in addition to resolving, pursuant to the Crime Prevention Model and the Company's Internal Order, Health and Safety Regulations, any penalties for non-compliance or irregularities committed by Celeo employees and workers.

As of December 31st, the Compliance Committee consisted of four people. Training processes, internal audits, surveys and various other activities have been conducted during the 2019 financial year and under the supervision of the Prevention Officer, prior to submitting the *compliance* system to a new certification process. This process was completed by November 2019 with the renewal of the prevention model compliance certificate, which will remain in force until 2021. All the above was timely reported to the Compliance Committee.

Similarly, the Committee has met three times throughout the year and the Prevention Officer has given a direct response to 31 queries received via the Transparency Channel during 2019. No complaints or conduct that could affect the company's criminal liability were reported during the same period, nor events that could contravene Celeo's internal regulations.

The Compliance Committee is composed of 4 members:

- **Manuel Sanz Burgoa**
- **Cristián de la Cruz**
- **Jaime Sáenz**
- **Alberto Ferrández**



3.4 COMPLIANCE AND ETHICS

[103-2, 103-3]



Regulatory compliance seeks to avoid infringing behaviors, the timely and rapid detection of any deviation or non-compliance, with the consequent reporting to the authorities for investigation. It is in this way that it seeks to reduce and reverse the damage caused to the company.

Celeo is in a market that is regulated under various regulations. In its years of existence, it has included the best practices and highest standards in ethics and compliance matters.

It has a compliance system based on the Governance pillar of its Sustainability Policy. Along with the above, it is governed by the guidelines of the Elecnor Group Code of Ethics and its Crime Prevention Model, generating transparent and trustworthy ties with its stakeholders.

3.4.1 Crime Prevention Model

[205-1, 205-2, 102-17, 102-25]

The Celeo Chile Crime Prevention Model is based on Law No. 20,393, regarding criminal liability of legal persons and internal regulations. Its objective is to drive and set a conduct based on the principles of its Code of Ethics, which ensure compliance with the law and prevention of criminal actions conducted by any member of the organization.

One of the most relevant milestones of the year was the renewal of the Crime Prevention Model certificate. This process is a result of the strength of the organization and includes four new types of crimes applicable to Celeo, which translated into training, spread and courses for employees within the organization, so that they include this new knowledge, areas and criteria into their practices. The renewal of this certificate is valid for two years.

Crimes included in 2019, pursuant to Law No. 20,393, are the following:

- Incompatible negotiation
- Corruption between private parties
- Misappropriation
- Unfair management

These are added to the crimes previously included in the same law: bribery of national and foreign public officials, money laundering, terrorist financing and stolen goods handling.



Leonardo Lobo, Electromechanic, Atacama zone.

CRIME PREVENTION MODEL

CODE OF ETHICS

Corporate document setting the principles and values guiding our collaborators' conduct.

CRIME PREVENTION SYSTEM

Control procedures and activities for the prevention, detection and response to crimes indicated in Law No. 20,393.



COMPLIANCE COMMITTEE

Instance overseeing the compliance and application of rules and policies from Celeo Chile and monitors eventual new regulations.

TRANSPARENCY CHANNEL

Confidential mechanism available for collaborators and third parties, through which behaviors or facts that may involve breaches to the Celeo Chile crime prevention model can be reported.



Illapa-Cumbre 2x220 kV line .

All Celeo collaborators and suppliers are aware of the Crime Prevention Model through the corresponding agreements, and are also aware of its communication channels, via which they can make inquiries, complaints or claims.

Today, the person in charge of the Crime Prevention Model is the Fiscal Attorney.

There were no breaches of laws nor regulations within the social and economic fields during the year. Similarly, 28 unauthorized pruning situations were corrected, conducted by the contractor (grouped into seven districts in the country) corresponding to the construction process of the Ancoa - Alto Jahuel line (occurred in 2015).

The payment of fines amounted to a total of USD 48,232, re-invoiced to the contractor company in charge of the construction, as set forth by the contractual relations with the company.

These processes correspond to corrective plans and include the reforestation of the affected surface areas, carried out in other years and which were continued in this one.

a Code of Ethics¹¹

(102-16)

Celeo Chile adheres to the Elecnor Group Code of Ethics, which ensures that all group companies share the same ethic guidelines and comply with the Group's values. This document includes the declaration of the Charter of Values, ensuring that the fulfillment of goals is the result of ethical, responsible and transparent processes.

b Training and Information

The Prevention Model has mechanisms, guidelines and guides to be followed by collaborators, in order to prevent any inappropriate behaviors.

In the event of a crime, the Model ensures that these situations will be properly handled, confidentially if required, by the Crime Prevention Officer.

In 2019, Celeo Chile trained its workers, conducting inductions and spread about its compliance system. In addition to the above, 100% of the workers took an online course during the year, with specially designed modules, in order to deepen the concepts developed in the Celeo Prevention Model.

¹¹ For further information on the Elecnor Code of Ethics, please go to: https://www.elecnor.com/resources/files/1/Responsabilidad_Corporativa/codigo_etico_es.pdf

100% MAIN EXECUTIVES AND COLLABORATORS WERE INFORMED ABOUT AND TRAINED IN ANTI-CORRUPTION PROCEDURES.

All business units were analyzed for risks related to corruption and given the recertification process of the Crime Prevention Model, the risk matrix was duly analyzed and updated.

c Transparency and Compliance Channel

(205-3, 206-1, 307-1, 419-1)

Collaborators have access to the Transparency Channel via email address: transparenciachile@celeoredes.com, as well as via an anonymous and confidential complaint line available on the website. To this date, no complaints have been received for events breaching the company's ethical standards, prevention model, or regulations, nor have there been confirmed corruption cases or legal proceedings related to unfair competition, monopolistic practices or other against free competition.

Questions received via the channel have mainly been related to conflicts of interest, the purpose of which was to prevent and / or avoid situations in this matter.

d Compliance Committee

The Compliance Committee is responsible for monitoring and following up on cases registered in the Crime Prevention Model.

04

SOCIAL PERFORMANCE



TRANSPARENCY

"Rewarding the performance of our workers is important. So, it was very exciting for me to receive recognition on the value of Transparency, which I daily put into practice in my relationship with suppliers, payment processes, among other duties. I am very happy to be a part of the Celeo team in Chile, I am very fortunate since it has been a pleasant experience that has enabled me to develop my knowledge and learn about new tools."

Lorena Morales

Administration & Finance department



Birdwatching club activity at Huilquico school.

THE FOOTPRINT OF THE COLLAS



During the construction of the Diego de Almagro project, in the Atacama region, the Company had a direct relationship with an original Colla Community.

The community requested a review of the trails near transmission lines, since it was possible these trails had a cultural heritage related to the Colla Indigenous Community, a native people in northern Chile.

Celeo hired the services of an anthropologist and a sociologist to conduct such verification, who walked the trails in search of the presence of heritage elements. This work was conducted in close coordination between the Celeo Chile staff and the Chairman of the Colla Community, who provided the historical context of the trails' geographical location.

The work involved an exhaustive analysis of over seven kilometers of trails. The conclusion was that, although the trail headed almost in a straight line towards the Inca de Oro locality, it had no indications of having been used by the ancestors of the Colla Community.

The trail was interrupted by anthropogenic causes such as vehicle tracks or mining facilities, while other parts were erased by water courses or floods that affect the location from time to time. Despite the above, it showed that it was used by the inhabitants of the area in ancient times, mainly for the conduction of mining activities.

This review contributed to the geographical knowledge of the location of these indigenous people. Results were presented at the Manuel Magalhaes Medling school, in Diego de Almagro, to various members of the community, in a beautiful ceremony with the presence of students and representatives of the Colla Geocultural community, who were very satisfied and grateful for the work done between Celeo and the community.



Illapa-Cumbre 2x220 kV line.



Hector Mendez, lineman Atacama zone.

4.1 OUR FIRST CONCERN

For Celeo, people are the most important part, and this is reflected in its Sustainability Policy, the pillars of health and safety at work and social responsibility.

The work conducted by the Company involves risks and therefore, we reinforce a prevention culture in terms of health and safety, by virtue of which it is strictly forbidden to carry out any activity under an uncontrolled risk situation.

This measure applies not only to Celeo workers, but also to contractors, suppliers, customers, communities, and any other entity with which it holds relations. The company understands that the damages caused by a possible accident are not only suffered by the person involved, but also by their family, and tries to spread this message among collaborators.

Safety awareness is achieved via continuous education, training, campaigns, workshop and periodic meeting instances, which address security related aspects.

Celeo favors environments based on trust and transparency relationships for the development of its activities, contributing to the development of the communities where it is present.

This involves maintaining a permanent link to the communities, continuously reporting in advance regarding activities to be conducted which may impact them.

Currently, Celeo Chile holds relationships with 31 communities, among which social organizations, educational centers, neighbors, etc. stand out, located in the seven regions where it operates: Atacama, Metropolitana, Valparaíso, O'Higgins, Maule, Ñuble and Biobío.

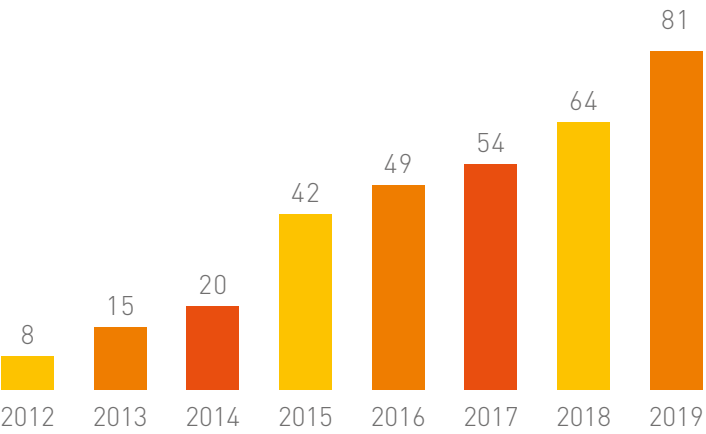


4.1.1 Our Workers

(102-8, 202-1, 401-1, G4-EU17)

As of December, the Company reached a total of 81 direct workers, including operation and maintenance workers; and during the year, totaled 409 workers from contractor companies. During the year, it maintained an average staff of 75 internal workers.

COLLABORATORS PER YEAR



Collaborators in 2019 are distributed in:

AGE RANGE	GENDER	GENERAL MANAGER	MANAGERS	HEADS	SUPERVI-SORS	PERSONNEL	TOTAL	% PER CATEGORY	TOTAL %
Youn-ger than 35	Male	0	0	1	7	22	30	83%	44%
	Female	0	0	2	1	3	6	17%	
35-50	Male	1	3	8	8	18	38	90%	52%
	Female	0	0	0	0	4	4	10%	
Older than 50	Male	0	1	0	1	1	3	100%	4%
	Female	0	0	0	0	0	0	0%	
Total	Male	1	4	9	16	41	71	88%	100%
	Female	0	0	2	1	7	10	12%	
Total		1	4	11	17	48	81		
% of women		0%	0%	18%	6%	15%	12.3%		

Source: Human Resources Unit.

ZONE	GENERAL MANAGER	MANAGERS	HEADS	SUPERVISORS	PERSONNEL	TOTAL	%
North	0	0	1	2	4	7	9%
Center	1	4	9	8	20	42	71%
South	0	0	1	7	24	32	40%
Total	1	4	10	18	48	81	100%

Source: Human Resources Unit.

Comparison of gross salary against the country's minimum wage	COMPARISON IN PERCENTAGE	CHILE MINIMUM WAGE 2019
Administrative	269%	\$301,000
Operators	338%	\$301,000

Source: Human Resources Unit.

Employee turnover by gender	WOMEN	MEN	TOTAL
Total hires 2019	4	16	20
Total departures 2019	1	2	3
Turnover rate	11.1%	3.03%	4%

Source: Human Resources Unit.
Note: The turnover rate calculation was done with the number of departures divided by the average staff.



Maintenance works Maule zone.



Our co-worker Frandimar Belisario, recognized as an Outstanding Woman for the plan "Energía+Mujer" (Power + Woman).

4.2 FEMALE LABOR INTEGRATION

[103-2, 103-3]



Part of the female team from the Santiago office.

This is why Celeo actively seeks to increase the share of women in the companies to decrease the gender gap in the professional world.

In 2019, Celeo Chile promised to promote measures to increase the share of female involvement in the organization, assuming a commitment with many companies in the energy industry, through their adherence to the Energy + Women Plan, a campaign promoted by the Department of Energy and the Department of Women and Gender Equality in Chile.

As established by the Elecnor Code of Ethics, there is no gender discrimination within the selection processes of Celeo Chile. However, there is still a long way to go, both within the company and in the industry, where one of the biggest challenges is to include women in leadership levels.

Along with the above, Celeo has a pillar of social responsibility, which sets the principle of respect for diversity, which ensures equal treatment for women in the company.

Gender equality is one of the most significant sustainability issues directly involving companies. It consists of fairly and equitably distributing existing job opportunities between men and women. This measure arises because the female gender has historically had a lower participation in the labor market, which is no strange fact for the electrical industry, where there is a low female involvement in the relevant organizations.

When companies actively promote diversity and equality at work, they create significant benefits both for the organization itself and for workers. These benefits are also transferred to society in general since greater equality fosters social stability and greatly supports the economic development of the country.

4.2.1 Gender equality

[102-35, 405-1, 405-2]

At Celeo Chile, 12% of employees are women, below the 23% average of the energy sector in Chile . Since its inception, the company has progressively increased female involvement in its staff, which is reflected in 2019 by a 1% increase over 2018. However, there is still a long way to go to bridge the labor involvement gap.

All women of the organization work at the central offices, either in Santiago or Talca, and three of them have head positions, which corresponds to 3 times over than 2017, showing progress in this matter.

Distribution of men and women in Celeo as of December		2018	2019
♀	WOMAN	11%	12%
♂	MEN	89%	88%

Source: Human Resources Unit.

Percentage distribution of workers by gender	WOMEN		MEN	
	Nº	%	Nº	%
SITE	0	0%	34	42%
OFFICES (SANTIAGO AND TALCA)	10	12%	30	37%
EXECUTIVES	0	0%	7	9%
TOTAL	10	12%	71	88%

Source: Human Resources Unit.

¹² Diagnosis of the Situation of Insertion of Women into the Electricity Sector. Department of Energy, Chile.

Wages at Celeo Chile are paid according to market prices. These are defined using studies focused on generic and specific items prepared by external consultants. Also, the service of an expert consultant in compensation matters was hired to conduct internal comparative studies with industries of characteristics similar to our company's.

An exercise was conducted between comparable positions within the organization to determine

salary differences, thus demonstrating fairness in income. Headship positions show a 4% difference in monthly remuneration in favor of women, while in managerial positions, this difference drops to 2% in favor of men.

The great future challenge for Celeo is to continue with the commitment to progressively integrate more women into the organization, both in strategic areas of the business and in positions of greater responsibility.

We subscribed Energy + Women

Celeo Chile ascribed to the Energy + Women Plan in 2019, a public-private roundtable promoting the integration of women into the electricity sector, the reduction of wage gaps, and the increase of female presence in strategic positions.

Celeo pledged to go deeper into the matter, integrating equality and non-discrimination concepts into the Company's existing documents, inclusive language, developing training, workshops and attending seminars on gender bias, promoting proactive selection processes with female candidates, among other commitments.

All these measures have been communicated to the organization accordingly.

How are salaries defined at Celeo Chile?

[102-36]

Currently, there is no remuneration policy at Celeo Chile. However, during 2019, the organization developed a market study regarding sector salaries in order to make the corresponding adjustments, if necessary.



Signing of Power + Women.

4.3 OCCUPATIONAL HEALTH AND SAFETY

[103-2, 103-3]



Healthy and safe working conditions are recognized as a human right and are included in numerous intergovernmental instruments, such as those of the International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD) and the World Health Organization (WHO).

Along with the above, this matter corresponds to target 8.8 of the Sustainable Development Goals the United Nations Organization (UN) adopted as part of the 2030 Agenda for Sustainable Development.

Healthy and safe working conditions involve both the prevention of physical and mental damage and the promotion of the health and safety of workers.

In line with the above, Celeo Chile promotes the involvement of its workers in the development and application of procedures and performance evaluations in occupational health and safety, as well as in the reporting of incidents and opportunities for improvement.

281,480

hours worked without accidents

700

days without accidents

0 accidents



Anti-climbing system being installed by Maule maintenance team.



Maintenance activities Maule zone.

4.3.1 Our reference framework

[403-1]

The Company’s Sustainability Policy sets forth principles and commitments in which its most important pillar is Occupational Safety and Health.

Among the annual objectives of 2019 we find the renewal of the Integrated Management System certification for Quality, Environment, Occupational Safety and Health (CMASS SIG), related to quality standards ISO 9001:2015, Environment ISO 14001:2015 and migration to the new management standard in Occupational Health and Safety (OSH), ISO 45001:2018. This new standard, published in March 2018, replaces the old OHSAS 18001:2007, which will lose validity in December 2021.

CMASS SIG includes the health and safety of workers at all stages of their projects, from construction, up to the operation and maintenance of their own facilities and third parties.

[403-8]

Celeo Chile certified its Integrated Management System in 2019, including migration to the ISO 45001:2018 standard in Occupational Health and Safety. The foregoing encompassed the full scope of the Company, including its 81 workers and its Central Offices, Maintenance Base in Talca and its five substations across the country.

The ISO 45001:2018 standard requires the conduction of an analysis of the context in which the Occupational Health and Safety Management System will be developed for deployment, including internal and external environments, risk assessments and identifying opportunities related to their deployment.

This standard aims to achieve that the Board of Directors, General Management and main governing bodies commit to the deployment of an Occupational Health and Safety Management System, exercising their leadership and promoting the involvement of workers and their representatives.

Do you know what the ISO 45001: 2018 standard is?

The ISO 45001:2018 standard requires the conduction of an analysis of the context in which the Occupational Health and Safety Management System will be developed for deployment, including internal and external environments, risk assessments and identifying opportunities related to their deployment.

The sustainability policy is available at: www.celeoredeschile.cl



Maintenance activities Maule zone.

4.3.2 Deployment of new ISO 45001:2018

[403-4, 403-5, 403-6]

To conduct the migration process to ISO 45001:2018, Celeo developed a consultation and participation stage for workers, to achieve success for the management system.

Celeo Chile has two Joint Health and Safety Committees (CPHS), one for its office in Santiago and the other for its Maintenance Base in the Maule region. Each of these Committees is composed of three representatives of the employer and three representatives of the workers.

The Company has methodologies and instances to detect deviations in the processes and opportunities for improvement, which is a key tool to identify and manage findings that may lead to non-compliance incidents. This information is available to all collaborators, is monitored by the CMASS unit and is spread on a monthly basis in safety meetings held at all Celeo establishments.

Although Celeo does not have unions, the two joint committees meet on a monthly basis to discuss occupational health and safety issues. These committees represent 91.4% of Celeo Chile workers. The remaining 8.6% corresponds to seven workers from the Atacama unit who are in the process of forming their own joint committee.



JOINT COMMITTEE ON HYGIENE AND SAFETY (CPHS)



SANTIAGO

No. of collaborators represented on the committee

42

% of company collaborators represented on the committee

51.9%

No. of participant collaborators

3

No. of directive participants

3



MAULE ZONE

No. of collaborators represented on the committee

32

% of all company collaborators represented on the committee

39.5%

No. of participant collaborators

3

No. of directive participants

3

Source: Quality, Environment, Occupational Health and Safety Unit.

The Company conducts training, workshops and campaigns on health and safety matters, permanently. During 2019, there were 6,111 hours of awareness-raising on these matters, which corresponds to 2% of the hours worked.

Risky situations during operations

(G4-EU16) All collaborators working in risk situations must have the following skills and information:

- Knowing the Sustainability Policy
- Knowing the SST ISO 45001:2018 Management System
- Identifying all risks related to their corresponding processes
- Learning the Internal Regulation of Order, Health and Safety
- Detecting emergency response procedures
- Handle the use of fire extinguishers
- Knowing first aid measures

The Company has identified 5 critical risks related to its operations:

- Driving: crash, collision, overturning, run over
- Hoisting work: Crushing by the motion of a suspended load
- Work at heights: falling from various levels
- Work with electrical risks: electrocution and burns
- Forest cutting, pruning and rubbing: exposure to noise, vibrations and / or cuts

During 2019, Celeo Chile published its first health and safety campaign called #WeAreAllCeleo. This sought to reflect the importance of self-care, teamwork and strengthen our prevention safety culture, understanding that when a collaborator goes out to their job, all their colleagues and family go with them.



THE HEALTH AND SAFETY MANAGEMENT SYSTEM PROTECTS 100% OF OUR WORKERS.



COLLABORATORS ARE EXPOSED TO CRITICAL RISKS.

4.3.3 Assessment and protection

(403-2, 403-3, 403-7)

Celeo Chile has audits assessing the performance of objectives defined for occupational health and safety matters.

An internal audit was conducted in 2019, pursuant to the requirements of ISO 45001, for a total of 5 days.

With regard to external audits, two were conducted: one by Mutual de Seguridad (Safety Mutual), and the other by the AENOR certification house (seven days in total for both), with satisfactory results and three minor non-conformities, which were satisfactorily corrected.

At the same time, it has an annual health and safety plan, which sets management tools enabling the verification and ensuring of control measures to be applied during the various tasks to be conducted by the Company. Said plan includes risk control analysis, equipment, instruments, personal protection elements and vehicles verification, in addition to activity reports.

Numerous compliance indexes are monitored during the year to help manage eventual deviations in this area.

Any collaborator can directly report on findings and improvements via email to cmas@celeoredes.com.

If necessary, reporting collaborators may request that the information be treated confidentially. Also, in 2019, the company activated an anonymous channel to report these types of events via a form on its website.

(403-9) (403-10)

Thanks to the efforts of all Celeo collaborators and their contractors, there were no accidents in their activities during 2019.

As of December 31st, 2019, the company accumulated 700 days without accidents and has met its main objective of the year: achieving Zero Accidents in its activities. Injury rate was zero.



Certification audit ISO 45001:2018.

4.3.4 We promote health

In regard to health, the Company makes a supplementary health insurance available to all workers, which grants a range of health care and reimbursement benefits, applicable from the moment they are admitted.

It also has a voluntary agreement, which covers hospital and outpatient treatment at the FALP Oncology Institute. In turn, it carries out annual vaccination campaigns against influenza and, in case the worker must travel abroad, manages the procedures required to enter the corresponding country.

Finally, Celeo subscribed an agreement in 2019 with one of the largest gym chains in Chile, in order for any worker to be able to join, regardless of the geographical location in which they are located. By virtue of this affiliation, the company and the worker share the cost of the monthly fees.

Additionally, diagnoses were made regarding the degree of exposure of workers to occupational diseases according to their various jobs. The diagnosis included all collaborators, according to applicability, in ergonomic, psychosocial, auditory and / or skin related diseases.

Reports on the assessments made on workstations and / or activities conducted by each collaborator showed that there are no workers exposed to a considerable risk of contracting an occupational disease at Celeo. However, chainsaw operators are a case to watch, given their exposure to noise, but which, with the proper activity protection elements, workers are protected.



Football team Celeo Maule zone.

4.4 TRAINING AND DEVELOPMENT

[103-2, 103-3]



Celeo Chile has a human team whose professionalism seeks to consolidate the presence of the company in the domestic energy industry, contributing to the development of the country with an organizational culture oriented to operational excellence.

For the Company, the development of its collaborators is an essential part required to achieve corporate objectives. This is why the work teams are constantly learning and developing technical and soft skills, which translates into the deployment of best practices within the company. The Staff Recruitment and Selection Policy favors

internal promotion, seeking to first empower its employees. Furthermore, the goal of this Policy is to ensure that positions are filled by those with the required experience and knowledge to ensure that Celeo Chile remains at the forefront of the national industry.



[404-3]

The Human Resources unit was strengthened during 2019. The objective of this unit is to structure, deploy and enhance the People and Organizational Development (DPO) pillar in its most relevant blocks for Celeo, such as: talent detection and attraction, career plans, performance evaluations, training plans and compensation policies.

Aligned to corporate values and putting the well-being and development of its workers among its priorities, human resource management ensures that relationships of respect and transparency are maintained at work. During the reporting period, the focus of this unit's work was on the creation of job descriptions, the design of performance evaluations and career plans, in addition to the measurement of the work environment.

On the other hand, the bipartite training committee was created as responsible for defining the organization's training needs and training plan, along with the human resources unit and collaborators.

4.4.1 Collaborator training

[404-1]

The technical and professional skills of the collaborators play an essential role in achieving corporate objectives. This is why the company has a training plan, providing workers with the knowledge required to fulfill their duties in the best possible way.

TRAINING HOURS	2017	2018	2019
TOTAL TRAINING HOURS	2,525	3,176	9,259
TRAINING HOURS PER PERSON	46.9	49.6	114.31

Source: Human Resources Unit.



TRAINING FOR CELEO CHILE COLABORATORS

	Nº OF BENEFICIARIES	% OF BENEFICIARIES OVER TOTAL
CELEO SCHOLARSHIP FOR UNDERGRADUATE STUDIES	7	9%
CELEO SCHOLARSHIP FOR POSTGRADUATE STUDIES	6	8%
TECHNICAL SKILLS TRAINING	393 <small>(distributed in 22 courses)</small>	Any person took an average 5.24 <small>courses</small>
MANAGEMENT SKILLS TRAINING	168 <small>(distributed in 10 courses)</small>	Any person took an average 2.24 <small>courses</small>
TRAINING IN INSTITUTIONAL PILLARS / CULTURE AND INTERNAL TRAINING	442 <small>(distributed in internal cross-courses)</small>	Any person took an average of 5.9 <small>trainings</small>



Celeo has a corporate goal regarding health and safety training. 2% of hours worked must be allocated to training, awareness and improvement instances in this matter.

4.4.2 Organizational climate and benefits

[404-2]

Celeo Chile fosters a good work environment, where respect, commitment and teamwork prevail, in addition to encouraging a good work climate.

The first Annual Work Climate Survey was carried out in 2019, which accounted for spaces for dialogue as well as existing opportunities for improvement for the future.

The survey showed 89% satisfaction, which translates into outstanding levels of satisfaction, where:



There are still improvement opportunities in the compensations field, which reach 69% defined as "regular". For this reason, the company took measures to align benefits and compensations offered to workers via a market study.

By 2020, the Climate Survey will include variables measuring discrimination based on gender, sexual orientation, among others.



4.5 OUR RELATIONSHIP WITH COMMUNITIES

[103-2, 103-3]



Companies have a preponderant role in the well-being of the communities where they conduct their activities.

For Celeo, the relationship established with the communities in the area of influence of its operations is key to achieving its corporate objectives and contributing to local development. For this reason, it seeks to create spaces for dialogue which enable for the joint development of activities with social benefits and highlight the programs through which it is openly and transparently linked.

Among aspects to be considered in the Sustainability Policy, there is the relationship with communities based on transparency, ethics and permanent dialogue, which, given territorial proximity, could be operationally impacted.

(G4-EU22)

It should be noted that Celeo Chile has not physically displaced communities, nor has it seen the need to compensate people for the development of projects already in operation, nor under construction, despite electric easement agreements.

The company conducts community outreach projects focused on socio-environmental education aiming to raise children's awareness of the importance and care of the environment.



Volunteer activities at Corel School, Maule region.

4.5.1 Local communities

[203-1]

The communities with which Celeo Chile is related are those close to the Company’s facilities, with which specific actions are designed:

COMMUNITIES

- Property owners
- Municipalities
- Neighborhood committees
- Rural schools
- Local communication media

The first years of the Company’s life have served to identify the diversity of communities with which it relates. By understanding the social context of the operations and the needs of the communities, it has been possible to plan and undertake activities which create real impact on the community.

Its operations have the potential to impact various stakeholders and that is why Celeo’s relationship strategy has favored close, permanent and transparent interaction with the communities.

On the other hand, the latest social events in Chile show that the social situation may impact the operation of the Company’s assets.

USD 16,643 were invested¹³ in the communities during 2019, which went to:

- Biodiversity protection project at the Corel school
- Participatory environmental improvement project at the Hogar Escuela Charrúa (Charrúa Home-School)
- Birdwatching club at six schools
- Archeology workshop at the Liceo Manuel Magalhaes Medling (Manuel Magalhaes Medling School) in Diego de Almagro
- Infrastructure improvement of the Colbún Fire Department
- Volunteer work conducted by the Celeo Sports Club at Hogar Maile (Maile Home)



¹³ The investment was CLP \$ 14,626,576.

4.5.2 Building relationships with the community

[413-1, 413-2, G4-EU19]

The Celeo Chile’s relationship with the community varies at each stage of a project.

In 2019, the company had ties to communities where the facilities of newly awarded projects would be located, Mataquito - Hualqui and Casablanca, whose development, construction and commissioning will span the next four years.

This relationship was based on the Early Citizen Participation Processes (PACA) where the main characteristics of the projects, their design and planning were made known to the communities. In that instance, doubts raised by neighbors and local authorities were resolved and their comments were collected in order to minimize the impacts from the projects on their territory.

What is early citizen participation?

Citizen Participation was set forth in Law 19,300 on Environmental Bases - of 1994 - as an important part of the Environmental Assessment Process. Citizens who feel to be affected by the possible development of a given project, have the right to be formally informed of the project and ask all questions deemed relevant to the proposing company, within the established deadlines.

Early Citizen Participation seeks that the company and the community conduct prior contacts before formally entering the Environmental Assessment System process. In this fashion, communities can be informed in advance via the same company executives about projects, creating channels of continuous dialogue and thus balancing expectations of both entities.

People from 16 localities were involved in the MATE project process, while there were from 6 localities close to the project in CASTE : Lomas de Manso, Huechún, Lagunillas and Placilla. In total, there were 461 attendees at the meetings, which had a predominantly dialogue modality towards the community.

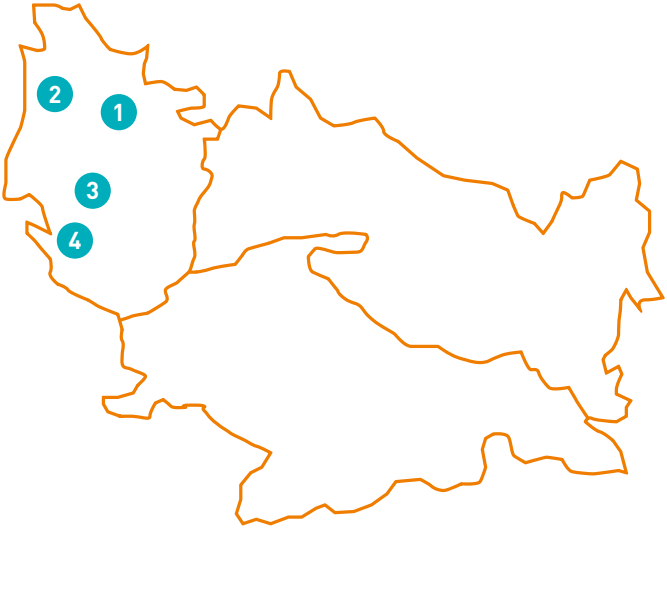
Community involvement in new projects

PROJECTS	DISTRICTS	ATTENDANCE
MATE	20 districts	392
CASTE	6 districts	69

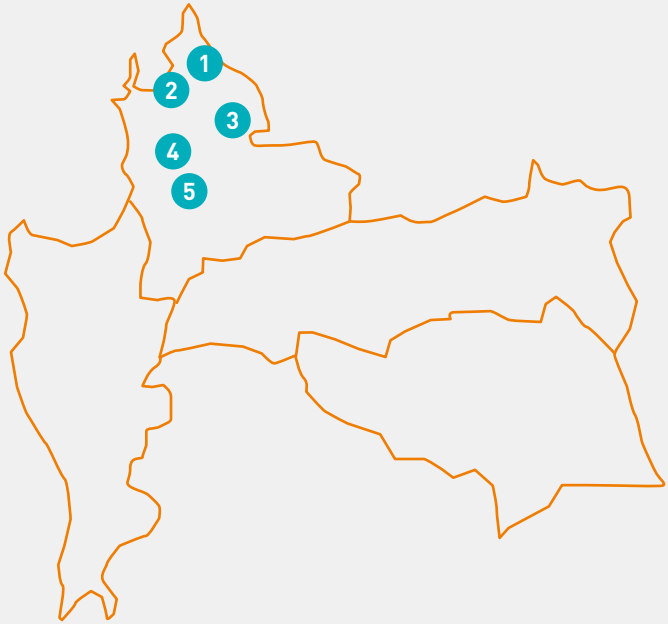
Region	Province	District
MAULE REGION	Curicó	1 Molina
		2 Sagrada Familia
		3 Hualañé
	Linares	4 Retiro
		5 Parral
		6 San Javier
		7 Péncahue
	Talca	8 Empedrado
		9 Curepto
		10 Constitución
	Cauquenes	11 Cauquenes



Region	Province	District
ÑUBLE REGION	Ñuble	1 Quirihue
		2 Cobquecura
		3 Treguaco
		4 Coelemu



Region	Province	District
BIOBIO REGION	Ñuble	1 Tomé
		2 Penco
		3 Concepción
		4 Chiguayante
		5 Hualqui



A baseline human environment diagnosis was developed for the awarded projects among the activities conducted by the Company, the result of which did not show significant impacts for the CASTE project. While the MATE project is soon expecting the results of the report.

In 2019, 3 projects were carried out with the community:

Participatory environmental improvement at Escuela Hogar Charrúa (Charrúa Home-School)

The project includes actions aimed at environmental improvement via workshops and activities co-designed with the educational community. These activities were born out of a need for both the school and Celeo workers, who, in a participatory manner, jointly came to a project to protect biodiversity and improve the environmental performance of the school and educate their children. A work commitment was signed in 2019 with Escuela Hogar Charrúa (Charrúa Home-School), which marked a relevant milestone in the relationship.



Bird Watchers Club

This project, which began in 2017, seeks to promote birds learning and conservation, promoting understanding of the local environment, via workshops aimed at students between five and 18 years old. Each participant receives an observation kit and a bird guide that includes 30 typical species from the area.

The workshop was scheduled in two stages, one theoretical and another practical. The first stage addressed content such as the main characteristics of birds, their evolutionary history, distribution in Chile, recognition techniques and alternatives for conservation in the school and its surroundings.

The second stage began with the supply of an observation kit (compass, binoculars, whistle, flashlight, credential and bird guide) and focused on teaching the use of these elements, while applying the knowledge acquired during the theoretical workshop. The intention is that students can recognize species through their physical features.

Corel School biodiversity protection project

Participatory work focused on the needs and problems of the locality was made in 2019, along with the Corel School. Accordingly, environmental workshops presenting impact measurement and recommendations for the conservation and interaction with the local flora and fauna were held.

The workshop was theoretical and practical, including a “What do birds eat?” module, to highlight the interaction between birds and plants, with special importance in feeding resources, conservation and protection thereof. The practical workshop consisted of the supply of indigenous plants to beautify the viewpoint, which in turn fulfill the role of natural bird feeders, a theme connecting the content of the theoretical workshop and where children can directly observe what they have learned.

In addition to the above, the Company conducted two corporate volunteering activities, one organized by the workers of the Talca Maintenance Center, in which 17 collaborators were involved and consisted of carrying out a Christmas activity, and an electrical maintenance activity for a children’s home in Talca. The other was organized by the workers of the Santiago Corporate Office, with the attendance of 19 collaborators and which consisted of a recycling workshop for 53 children, conducted along with the Manos y Naturaleza Corporation.

4.6 OUR SUPPLIERS

[102-9]

Suppliers play an essential role for the development of Celeo processes. A large part thereof are specialists in the field of energy and / or with a presence in the energy market, both domestic and international.

Supplier selection includes their distances to the facilities and service supply availability, always prioritizing the supplier’s domestic location.

In 2019, Celeo had a relationship with a total of 167 suppliers, among which we find consulting and auditing companies, financial and banking entities, law firms, technical service agencies, software suppliers and remote industrial processes, mobile phone companies, transportation, electrical products for maintenance processes, fuel, electrical distribution, health services, IT, design, cleaning services, among others.

Celeo classifies its suppliers into three groups:

- General:** any company or natural person providing goods or services.
- Strategic:** those designated as strategic by senior management or the parent company.
- Critical:** anyone who, if upon failure to comply with their commitments, could generate a significant impact on the operation of the area or operation of the Company.

Celeo’s main contractor is Elecnor Chile S.A., a company in the engineering, development and construction of infrastructure, renewable energy and new technology projects. This partnership is strategic as it is the construction company for the company’s transmission lines.

For line maintenance, Celeo has internal and local personnel.



Source: Finance and Management Unit.
Note: MUSD = Million dollars.

05

ENVIRONMENTAL PERFORMANCE



PERSEVERANCE

"I was the first engineer hired for the Control Center. I have been in the company since the beginning, 5 years ago. During that time, I have experienced many changes on a personal and professional level, changes which have strengthened my adaptability and flexibility to various scenarios. This context has enhanced the value of perseverance in me, persevering and being consistent, regardless of whether situations change, always the most important thing is to achieve a job well done, according to our way of working: with tolerance, teamwork and above all, a willingness to change."



Fernando Urrutia
Operations department



Charrúa-Ancoa 2x500 kV line.

Talca Native Garden



Talca native garden.



This native garden has the purpose of serving as an educational tool, mainly for linemen who, with this garden, can recognize the vegetation and trees they will find in the Pedestrian Visual Inspections to transmission lines.

The garden has the following species:

- | | |
|---------------------------|-----------|
| • Espino | • Ruil |
| • Boldo | • Hualo |
| • Canelo | • Chilco |
| • Ciprés de la cordillera | • Peumo |
| • Lun | • Arrayán |
| • Copihue | • Lilén |
| • Maitén | • Roble |
| • Olivillo | • Queule |

These species are in appropriate conditions for their development, present in the geographical area of the transmission lines, so their presence in the maintenance base is a highly valued contribution by all the personnel who enjoy and learn from the species belonging to the country.

There is the native garden built by Celeo in the Maintenance Base located in the Talca district, which shows visitors the various flora species located in the vicinity of transmission lines.

The linemen's job is to inspect transmission lines, conduct the corresponding maintenance and ensure that the conditions around them do not alter operational continuity, with a special emphasis on the vegetation that may be found at the security strip. For this, they must visit remarkably diverse places with a great flora and fauna diversity.

To adequately fulfill these duties, they must know which is the endemic vegetation of the place and which are the protected species, in order not to intervene while conducting their maintenance activities.

5.1 ENVIRONMENTAL MANAGEMENT

Environmental management at Celeo has a preventive approach that includes caring for the environment in all procedures conducted and also promotes the responsibility of both workers and other stakeholders.

In the framework of the Sustainability Policy, the environment pillar focuses both on protecting the environment and its biodiversity and reducing pollution. For this reason, the Company drives various initiatives promoting greater environmental responsibility, including the efficient use of resources, reuse of materials and recycling, protection of biodiversity, its habitat and assessment of risks related to climate change.

Environmental management is monitored via the Integrated Management System (CMASS SIG), periodically reporting on the associated compliance indexes, ensuring compliance with environmental regulations and commitments made to the authorities in the Environmental Qualification Resolutions (RCA) of each project.

In order to reduce impacts from each of the stages, Celeo works in coordination with its contractor companies and in permanent dialogue with the community and sector authorities, responding to their requirements in an agile and efficient manner.

Early initiatives to project process:



Planning Stage: Efficient layout design that is respectful to the biological wealth of ecosystems.



Construction Stage: Environmental Support Programs to Elecnor. Due compliance with the local regulations and values of the organization are tracked under these programs.



Operation and Maintenance Stage: This involves continuous environmental management, overseeing both actions conducted by our own workers and contractors. Professionals in the Maintenance unit, being the ones who spend most of their time in the operation areas, receive training in environmental management, and are able to monitor, develop preventive actions and report events that may be harmful to the environment.

5.2 RESOURCE EFFICIENCY

[103-2, 103-3]

Celeo is committed to mitigating the environmental impact of its operations. For this purpose, in addition to complying with applicable regulations, it encourages the efficient consumption of resources among its collaborators in all processes and activities conducted.

The focus of action is to promote energy efficiency and reductions in water consumption, the use of supplies and encourage waste recycling.



Electric energy consumption mainly comes from two sources: corporate offices and maintenance bases, while fossil fuel consumption relates to vehicles used for line maintenance.

The increase recorded in electricity consumption was the result of the increase in the number of employees at Central Office and Maintenance Base. In turn, the greater fuel consumption for this year corresponded to the use of vans due to the start of the operational phase of the DATE project.

Energy efficiency campaigns are conducted to promote reductions on energy consumption, seeking to commit all employees to corporate objectives in this matter, and have had positive results.

Did you know?

Energy efficiency is proposed as one of the policies to stop climate change and the achievement of sustainable societies, along with the development of renewable energies and a transport policy that is less harmful to the environment. It is about obtaining the same energy goods and services using fewer resources, improving processes, recycling, using fewer polluting products and smart consumption.

Energy saving stickers are placed on all switches at the facilities, as a campaign to optimize electricity consumption. Also, the resource efficiency and recycling procedure was disseminated.

5.2.1 Energy consumption

[302-1, 302-4]

Celeo mainly consumes electrical energy for its operations and also uses energy derived from fossil fuels. Based on its environmental commitment, the company seeks to reduce its impacts by reducing energy consumption and applying efficient processes.

ENERGY CONSUMPTION	2018	2019
ELECTRICITY CONSUMPTION IN KWH	91,745	93,660
FUEL CONSUMPTION IN LITERS	59,815	69,926

Source: Environment Unit.
Note: The data refers to the central office in Santiago, Chile and the Maintenance Base.



Waste container for recycling.

5.2.2 Water consumption

(303-1, 303-5)

Water is a vital element for the existence of life on the planet. In Chile, a serious shortage of water resources has been observed as a result of the drought, giving a wake-up call for both individuals and companies to reduce their consumption and be efficient in its use.

Celeo creates initiatives for its efficient use at the facilities, such as awareness campaigns for workers to reduce impacts on the environment.

Did you know?

Water is key to human well-being and only works as a renewable resource if it is professionally managed. More than 1.7 billion people live in over-exploited river basins and by 2025, two-thirds of the world's population could live in countries facing water scarcity. Therefore, steps must be taken to reverse this picture.



WATER CONSUMPTION IN M³		
	2018	2019
WATER CONSUMPTION	1,460	1,558

Source: Environment Unit.
Note 1: Only drinking water consumption in the Company is included.

The manageable consumption of drinking water comes from administrative tasks at each workplace. The 2019 increase is mainly the result of the increase in the number of collaborators, over last year.

On the other hand, there is an unmanageable consumption of low conductivity insulating demineralized water, which comes exclusively from the preventive maintenance activities of insulation washing, in the assets of the Atacama zone. The resource is provided by a third party and the total amounts used were 33.33 m³ and 468.6 m³, for years 2018 and 2019, respectively. The increase was due to the fact that, only one substation was washed, and one set of transmission lines were sectioned in 2018, while last year this activity was conducted for all facilities in the area.



5.2.3 Waste

(306-2, 306-4)

Waste management encompasses all activities related to the life cycle, and includes the collection, transport and treatment of waste, in line with a circular economy in the efficient use of resources.

In recent years, both the Government and non-governmental organizations have worked to promote the Producer Responsibility Law (REP) and Clean Production Agreements (APL), seeking for companies to integrate waste management into their operations.

Proper waste management has a regulatory and preventive aspect seeking to reduce consumption and promote reuse and recycling. It also includes deploying educational actions for collaborators and other stakeholders, in addition to a materials traceability system.

Do you know what the REP law is?

It is an economic waste management instrument requiring manufacturers of certain products to organize and fund the management of waste derived from their products.

These products are:

- Lubricant oils
- Electrical and electronic devices
- Battery packs
- Batteries
- Packaging and Packages
- Tires

Do you know what an APL is?

It is a voluntary agreement between a company and the competent public bodies in environmental, health care, occupational health and safety, energy and water efficiency and productive promotion, whose objective is to apply Clean Production via specific goals and actions within a certain time frame, for the achievement of what was agreed.

For the second consecutive year, the company worked around the Celeo Recycle program, an initiative that encourages materials' reduction, reuse and recycling. This campaign was extended by conducting 8 training sessions to encourage and engage collaborators, which were distributed in 5 induction sessions for

waste management and recycling, 1 general training session in waste management and recycling, 2 general training sessions in the management and handling of hazardous waste. The foregoing includes a total of 45 trained collaborators. Similarly, in 2019; 680.37 more kilos of waste were recycled over last year.

WASTE RECYCLED	2018	2019	RECYCLING ORGANIZATION
Paper	155	568.5	Fundación San José, Rembre & others
Plastic	25.7	246.6	Rembre & others
Metals	2	17	Rembre
Other recyclables	4	35	Rembre
Total	186.8	867.2	

Source: Environment Unit.
Note: The other recyclables category corresponds to cardboard, glass and tetra pack.
Note 2: Recycling began in October 2018.

The main waste generated by the company is domestic. Maintenance activities create a low percentage of hazardous waste that comes specifically from substations, which are transferred to specialized companies for treatment and final disposal. These mainly correspond to oils, lubricants, paints, solvents and personal protection elements contaminated with any of these elements.

WASTE IN KILOGRAMS	2018	2019
NON-HAZARDOUS	3,097	3,078
HAZARDOUS	405.7	305.3

Source: Environment Unit.
Note: non-hazardous waste only includes household waste, not that destined for recycling.

(308-2)

The greatest amount of waste is generated in the construction stage and, therefore, it is in this stage that the greatest efforts are required.

To address waste treatment in a coordinated fashion, the same actions designed for the operation and maintenance stages will be replicated in the construction of the projects, thus achieving recycling and reducing the impact on the environment.

By 2020, Celeo Chile will work together with its contractors on a pilot plan to manage waste at the construction stage, emphasizing waste segregation and encouraging recycling.

5.3 BIODIVERSITY

(103-2, 103-3)



One of the main concerns today is the impact human activity is having on biodiversity, that is, on the wide variety of species on the planet and the natural patterns that make it up.

Chile has a great variety of ecosystems with numerous endemic species. The Programa para la Conservación de la Flora y Fauna Silvestre Amenazada (Endangered Wild Flora and Fauna Conservation Program) in Chile, created in 1999 by CONAF, aims to contribute to the conservation of biological diversity, with an emphasis on native

flora and fauna threatened species, found in the Sistema Nacional de Áreas Silvestres Protegidas del Estado (State Protected Wild Areas National System) (SNASPE), in other sites of high ecological value and in sectors linked to forestry.

At Celeo Chile, the concern for biodiversity is worked on both flora and fauna, having an awareness of the importance of the intervention of physical spaces, of the native vegetation that runs across transmission lines, which must be relocated, in addition to the care of birds that can cross this space.



Environment and Community Relationship department.

5.3.1 We maintain a preventive approach

(102-11)

Chile shows a great diversity of different ecosystems (forests, desert, highlands, etc.) and climates.

The Corporación Nacional Forestal (National Forestry Corporation) (CONAF), which reports to the Department of Agriculture in Chile, developed a report on the state of conservation of flora called the Red Book of the Terrestrial Flora of Chile. It sets the conservation status of plants distributed in the continental and insular parts, according to the categories described by the International Union for Conservation of Nature (IUCN).

Protecting the biodiversity and natural habitat of Celeo's areas of influence is a key condition for

ensuring business continuity in the long run, as stated in the Sustainability Policy.

The Company has developed a preventive approach, seeking to characterize and monitor the biodiversity of the areas of operation in order to detect possible impacts originating from its activities, and in turn minimize and / or mitigate them in the best possible way.

Celeo has created an Environmental Risk Management Plan that covers the entire life cycle of its projects. In addition to the above, the company adheres to the precautionary principle of the Rio Declaration on Environment and Development of the United Nations.

Do you know about the UICN?

The International Union for the Conservation of Nature is an international organization in the conservation of natural resources. It was founded in October 1948, within the framework of an international conference held in Fontainebleau, France.

If you want to learn more about the UICN, please visit the website: <https://www.iucn.org/es>

SEIA

Every time a new project is developed, it must be submitted to the Environmental Impact Assessment System (SEIA¹³), a procedure that allows assessing, mitigating and compensating for the environmental impacts generated by the project, ensuring the applicable regulations and the best options for the environment and communities.

An Environmental Qualification Resolution (RCA) is obtained once the assessment process is completed, which contains the commitments and obligations adopted by the company at each of the project phases, or other corresponding actions.

Companies commit to develop concrete actions and measures aiming to correct, mitigate, modify or compensate for environmental impacts, in each RCA. In some cases, these actions commit reforestation and vegetation enrichment in the territories or other actions committed in the studies.

¹³ For further information on SEIA, please go to website: <https://www.sea.gob.cl/>

5.3.2 Flora and Fauna

(304-1, 304-4)

Given that transmission line projects are emplaced in territories with various environmental and social characteristics, activities caring for the biodiversity are specific to each area, and include regulatory compliance, in addition to commitments to easement owners and local communities.

AJTE

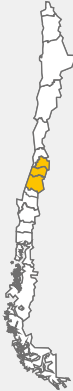
Covers three regions of the country (Metropolitana, O'Higgins and Maule) which are characterized by mainly having agricultural areas and by the presence of native forests, going across 18 districts, in a 256 km area.

18

Districts

In an area of

256 Km



CHATE

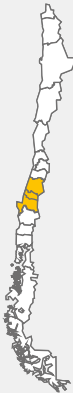
It is located in three regions of the country (Maule, Ñuble and Biobío), predominantly forest areas, both plantations and native, going across 12 districts, with an extension of 198 km.

12

Districts

In an area of

198 Km



DATE

It is located in the Atacama region, in the Diego de Almagro district, a desert area, with a 52 km extension.

In an area of

52 Km



In the areas where the Ancoa - Alto Jahuel (AJTE) and Charrúa - Ancoa (CHATE) lines operations are located, there are species listed on the Red List of the International Union for Conservation of Nature (IUCN) and in National conservation lists, so the company

has strengthened training for employees in protection and biodiversity conservation matters. Details are shown below:

IUCN LIST OF PROTECTED SPECIES

TYPE OF DANGER	NUMBER OF SPECIES	NAME OF SPECIES	PROJECT
Vulnerable	3	<i>Citronella mucronata</i> ; <i>Porlieria chilensis</i> , <i>Neoporteria castanea</i>	AJTE & CHATE
Almost endangered	1	<i>Nothofagus glauca</i>	AJTE & CHATE
Minor concern	1	<i>Austrocedrus chilensis</i>	CHATE

Source: Environment and Community Unit.

CONSERVED AREAS AND PROTECTED SPECIES

CONSERVED AREAS	MAIN PROTECTED SPECIES IN THE AREA	BIODIVERSITY IMPROVEMENT WORK
Cerros de Huilquío	<i>Quillaja saponaria</i> ; <i>Lithraea caustica</i> ; <i>Cryptocarya alba</i> ; <i>Peumus boldus</i>	Conventional reforestation
Cora N°4 Reserve, Santa Isabel plot	<i>Quillaja saponaria</i> y <i>Aristotelia chilensis</i>	Conventional reforestation
Vacada de Huelquén	<i>Sclerophyllous forest</i>	Forestry management
Vacada de Huelquén	<i>Quillaja saponaria</i> ; <i>Lithraea caustica</i> ; <i>Cryptocarya alba</i> ; <i>Peumus boldus</i>	Core reforestation
Vacada de Huelquén	<i>Persea lingue</i> , <i>Crinodendron patagua</i> , <i>Quillaja saponaria</i> and <i>Cryptocarya alba</i>	Conventional reforestation

Source: Environment Unit.

140

141

For the case of fauna

There are flight deviators for the protection of bird fauna, which prevent them from colliding with the transmission lines.



Flight deviators.



5.3.3 Biodiversity impacts management

(304-2, 304-3, G4-EU13)

REFORESTATION AND COMPENSATION MEASURES

The cutting of vegetation or forests for the creation of access roads, security strips or the installation of structures for the Celeo operations are repaired with forest management plans (PMF) via native and / or exotic forest plantation, in addition to environmental compensation measures defined for each project.

The commitment made by Celeo for the AJTE and CHATE projects was to reforest and compensate for 938 hectares. By 2019; 92% compliance had been reached and it is expected to reach all areas required by 2020.

To finalize the required PMFs, they must meet certain parameters set forth in the current legislation. These are:



1. PMF native forest: According to Chilean Law No. 20,283 on the recovery of native forests and forestry development, the reforestation commitment is fulfilled when it is verified, on the ground, that the reforested species have a survival equal to or greater than 75% of the number of individuals committed in the corresponding plans. This is determined upon two years of life, from planting or natural regeneration.



2. PMF exotic plantation: In the case of exotic plantations, and complying with the same principle, completion is determined when the species has reached a height of 1 meter in arid or semi-arid conditions, or 2 meters in more favorable circumstances.



3. Environmental compensations: As stated in Chilean Law 19,300, compensation measures must be set during the environmental impact assessment processes regarding significant impacts created. Given the nature of Celeo projects, compensation measures relate to the vegetation component, with work timelines of 5 to 11 years.



Reforestation site.

REFORESTED AND COMPENSATED AREA IN HECTARES

	NATIVE REFORESTATION	EXOTIC REFORESTATION	COMPENSATIONS
Planted area 2019	39.5	26.0	0
Cumulative planted area	198.0	580.5	82

Source: Environment Unit.
Note: A completed surface area is that where the reforestation / compensation commitment was fulfilled.

Celeo currently maintains environmental compensation hectares tied to the AJTE project, which have forest establishment monitoring. These areas were planted in 2014 and - in some cases - their completion period will end by 2024. The original habitat assessment has therefore not yet been conducted by the Company.

However, it constantly monitors and assesses reforestation and compensation processes in order to ensure the effectiveness of the measures taken, issuing periodic reports to detect possible changes to biodiversity.

For this purpose, the company has created “heat maps” regarding the density and / or height of the vegetation, to inspect the surface areas subject to reforestation / compensation.

Training

All workers conducting pedestrian visual inspections generate reports that strengthen environmental management. They are trained in technical and practical aspects, reinforcing their responsibility in the face of pruning remains and protection of fuel used in machines and trucks during field activities, in order to prevent forest fires.

In view of the above, field training is continuous, and the contents include both the environmental management approach, including environmental restrictions on pruning and cutting vegetation, current environmental regulations, in addition to hazardous waste management.

During the year

3
trainings were
conducted

WITH A TOTAL OF

46
Participants



5.4 CLIMATE CHANGE

(103-2, 103-3)



Climate change is one of the greatest challenges worldwide. One of its main causes is global warming, a phenomenon related to greenhouse gas (GHG) emissions. In the face of this situation, the private sector has been called to provide concrete solutions, through innovation and long-term sustainable investments, in order to reduce emissions and thereby prevent the planet's temperature from continuing to rise.

During 2019, Chile - via the Department of the Environment (MMA) and the Office of Climate Change - worked on the development of a Draft Framework Law on Climate Change, which includes a multi-sector participatory process, with the aim of including the vision and experience of the various key players in this matter.

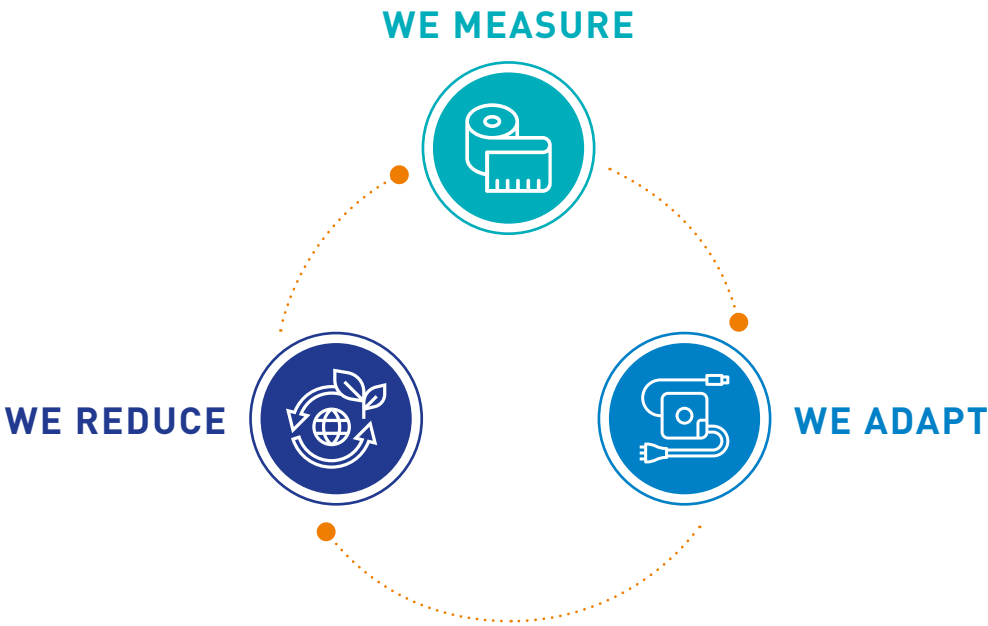
Celeo Chile is committed to the care and protection of the planet, based on three lines of action:

1. Control, monitoring and reduction of greenhouse gas (GHG) emissions.
2. Inclusion of adaptation criteria for its operations, preparing contingency plans for climate emergencies and resilience to catastrophes.
3. Compensation for environmental impact, via reforestation and forest maintenance, among other measures.



Charrúa-Ancoa 2x500 kV line.

MODEL TO FACE
CLIMATE CHANGE



5.4.1 International Context

A United Nations Framework Convention on Climate Change was subscribed in the 2015 Paris Agreement¹⁵, which took place at COP21: a document that sets forth concrete measures to reduce GHG emissions, via the mitigation, adaptation and resilience of ecosystems to the effects of global warming.

In December 2019, Spain hosted the Conference of the Parties (COP25), which sought to establish a reference framework for the deployment of mitigation measures

(NDC) worldwide and the reduction of GHG, which will be determined at COP26.

In this context, the “Carbon Footprint” is an index enabling to quantify greenhouse gas emissions, as a result of the operations conducted by organizations and their members.

¹⁵ To learn more about the Paris Agreement and COP21, please visit <https://unfccc.int/>



5.4.2 WE MEASURE: Carbon footprint
(305-1, 305-2, 305-3, 305-5)

The carbon footprint is defined as the set of GHG emissions, produced directly or indirectly by people, organizations, products, events or geographic regions, in terms of CO₂e. Its measurement is mainly used so that companies can communicate their performance against climate change and set reduction, mitigation and compensation strategies.

Due to the above, the Company measures emissions of gases into the atmosphere since 2017, calculating its carbon footprint in order to learn about and manage the magnitude of the impact of its operations.

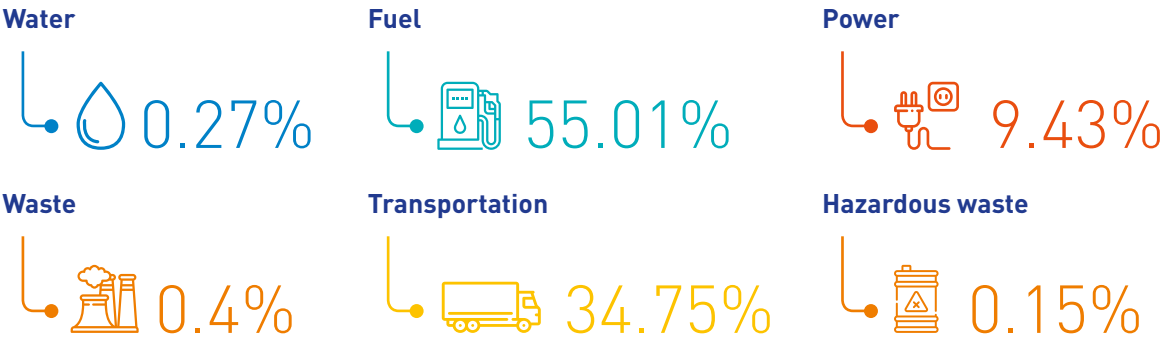


EMISSIONS IN METRIC TONS OF
EQUIVALENT CO₂

	2017	2018	2019
Direct GHG emissions (scope 1)	146.26	178.41	221.62
Indirect GHG emissions when generating energy (scope 2)	28.60	39.94	37.99
Other indirect GHG emissions (scope 3)	136.48	102.64	143.30
TOTAL	311.33	320.98	402.90

Source: Environment Unit.
Note: Values do not include losses in the transmission line.

Ton Eq CO₂ environmental impact results



Source: Environment Unit.

Let us learn something!

- **Scope 1:** corresponds to Direct GHG Emissions, a result of the use of fuel used by own vehicles or those controlled by the organization, in addition to the emergency generator set available at the Santiago offices.
- **Scope 2:** These are Indirect GHG Emissions, which correspond to the global electricity consumption at the company's work centers.
- **Scope 3:** includes other Indirect GHG Emissions, such as daily transfer of personnel to substations, offices or business trips.



5.4.3 WE REDUCE: EMISSIONS

The figures between 2018 and 2019 show differences, which in the case of scope 1, are explained by the increase in the consumption of vehicle fuels used for line maintenance.

In the case of scope 2, the decrease relates to the variation in the GHG emission factor of the Sistema Eléctrico Nacional (National Electricity System)

(SEN). Finally, the increase in scope 3, between 2018 and 2019, is the result of the increase in the number of workers who entered the company during this period, related to the transfer to and from the workplace.

The environmental impact index, according to the size of the company's operations, reflects the following results:



REDUCTION OF GREENHOUSE EMISSIONS

(305-4)

	2017	2018	2019
Carbon footprint (CO ₂ e ton)	311.33	320.98	402.90
Operation size (total line kms)	454	506	506
Environmental impact according to size of the operation	0.685	0.634	0.796

Source: Environment Unit.
Note: The environmental impact corresponds to CO₂ ton values divided by total line kms.
Note 2: 2019 was the first year of the Diego de Almagro line in full operation, which implied an increase in the use of vehicles for line maintenance.

The challenge for 2020 will be to obtain the footprint detailed by establishments, as to identify in greater detail what actions should be included to achieve a smaller impact.

Other polluting emissions into the atmosphere

(305-7)

Additionally, there are other emissions¹⁶ from fixed and mobile sources impacting the environment, and that - like the carbon footprint - only include facilities' operation and maintenance, leaving out the construction process operated by Elecnor.



TYPES OF EMISSIONS GENERATED BY CELEO CHILE IN KG

	2018	2019
NO _x	819.4	1,165.2
SO _x	48.9	64.8
MP ₁₀	89.6	106.7
MP ₂₅	0.1	0.789
CO	5,775	14,511.7

Source: Environment Unit.

The increase in emissions generated was the result of the commissioning of the operational phase of the DATE project, which involved the use of two generator sets, trucks and diesel consumption.

¹⁶ The methodology used for quantification is the one described in Supreme Decree DS No. 138-2005, prepared by the Department of Health of the Government of Chile.

Did you know what the green tax is?

[G4-EU5]

The green tax was set in the Chilean tax reform (2014) applicable from 2017. It assigns a charge to companies emitting particulate matter (PM), nitrogen oxides (NO_x), sulfur dioxide (SO₂) and carbon dioxide (CO₂) produced by 50 MWt boiler or turbine operations, into the air.

Due to the green tax, Celeo did not have to pay an associated amount since it did not generate emissions higher than allowed.



Forest fire passing by line
2x500 kV Ancoa-Alto Jahuel.

**5.4.4 WE ADAPT:
Resilience**

[201-2]

Climate change can put the facilities and operations of various industries at risk. This is why Celeo has adopted a preventive approach that enables it to face possible natural disasters or any type of climate impact, strengthening its infrastructure and developing action protocols in the face of such events.

Celeo Chile's operations have been adapting to the challenges of climate change. For example, in areas where towers are near a river and may be affected by a flood, elements of river defense have been included. Actions like this allow us to respond to the effects of climate change.

What is a river defense?

Corresponds to the construction of protection works seeking to provide stability to the towers against possible river floods. These control measures are reported to the community within the environmental processing framework of the project.

These measures have been deployed in the Alto Jahuel and Charrúa projects, specifically in structures located at the Tinguiririca, Lontué and Longaví rivers.

On the other hand, in the Diego de Almagro project, there is a river defense in the riverbed at the "La Angostura" gorge.

Additionally, the Operation and Maintenance area developed a series of measures to address various contingencies that could arise within the operation. Among them are events such as: rain and snowstorms, fires near the transmission line, earthquakes or floods.

As an example, an emergency kit for floods was deployed at the Illapa and Cumbre substations, which includes: evacuation routes to safe areas, adequate clothing for these events and food and hydration to be used in case of isolation situations due to road cut-offs.

Preparation for climate diversity

Celeo Chile proactively works to anticipate possible contingencies arising at each season of the year.

This is conducted with a counter-season approach, which means that, prevention work for the winter months begins in the summer and vice versa, such as removing plant material from under the facilities, which could turn into fuel and could potentially cause a forest fire, affecting operations and the surrounding biodiversity.

06

ECONOMIC PERFORMANCE



HONESTY

"When I received this recognition, I felt very happy and calm, because receiving 'Honesty' is just the result of the trust Celeo Chile has in me, daily. It is a way of endorsing that the work is being done well. Our daily concern at Celeo is caring for our company and each other, because by doing things honestly, we can all have a choice to be recognized."



Óscar Arredondo
Administration and Finance department



Tomás Tozo, from the Management Control team at the Santiago office.



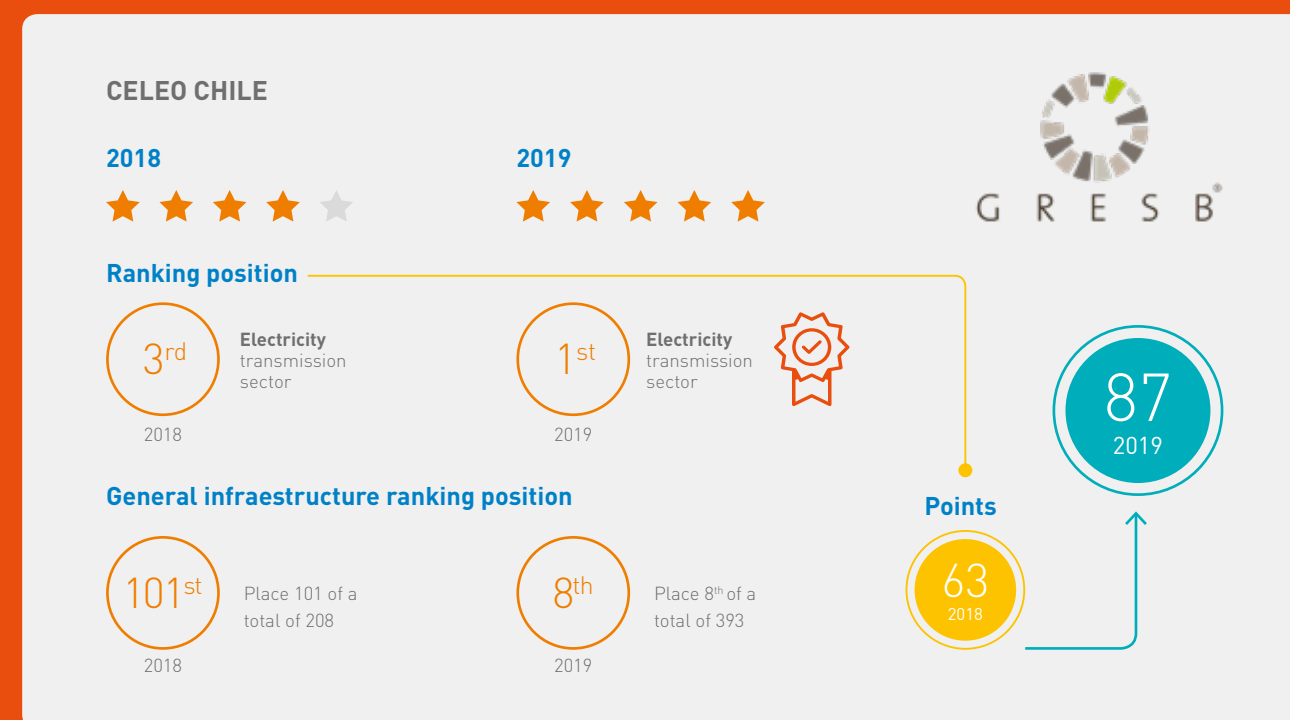
FIRST IN GRESB 2019 TRANSMISSION INFRASTRUCTURE CATEGORY

GRESB is an organization that assesses the sustainability performance of real asset sector portfolios and assets around the world in issues relating to the environment, social and governance. Therefore, the Company's evaluation in this ranking makes it possible to measure the improvement in performance obtained in these areas and provides a valuable comparison with other companies in the infrastructure sector.

In its first participation in 2018, the two companies of the group obtained recognition in the category of infrastructure companies and in the electricity transmission sector, Celeo Brazil obtained the second position in the transmission companies category, while Celeo Chile held the third position.

In 2019 and after a year of hard work and effort by the entire organization, Celeo Chile managed to obtain first place in the ranking, positioning itself as the best company in the electricity transmission sector. In turn, Celeo Brazil again obtained the second position, which represents a great achievement for the group's sustainability management.

The ranking also presented growth opportunities for Celeo Chile, which provides a valuable tool to achieve continuous improvement in sustainability. These aspects were reviewed and incorporated in the annual management, to continue making progress in the environmental, social and governance fields, aiming to be a leading company in the industry in these matters.



6.1 ECONOMIC MANAGEMENT

Celeo is constantly seeking to continue growing through innovation, the inclusion of new technologies and the search for new business, and this is why it must maintain financial solidity providing a good basis to address expansion opportunities.

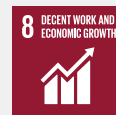
Energy transmission is an activity that heavily relies on the organization's ability to conduct effective economic and financial management in a sustainable manner. A proper administration of existing assets is achieved via this management, and the required financing is obtained to execute new investments and ensure the financial stability of the company, with a long-term perspective. The financing strategy includes the involvement of all company units, providing valuable pieces of information and their vision of the business.

Celeo's business model includes obtaining financing forms that enable the project construction stage to be carried out and ensure a debt repayment period that is as long as possible, in line with the assets' useful life cycle.

Celeo's activities were focused on three objectives:

- Providing financing formulas and resources to prepare technical-economic proposals in bids for new projects.
- Maintaining financial balance for the group, including compliance with reporting obligations, continuous improvement and automation of administrative-financial processes.
- Securing financing for projects awarded in 2018.

The company looked for new forms of financing in the market in 2019, in order to execute the construction of the CASTE and MATE projects. By the end of the year, Celeo subscribed 30-year financing for an amount of USD 365 million, whose structure has been novel and a benchmark for the market.



6.2 FINANCE AND INVESTMENTS

[103-2, 103-3]

Achieving favorable economic results is essential for the conduction of the sustainability strategy of any company, and at the same time, ensuring the continuity of a business in the long term. The evaluation of the economic performance of the company is a basic mechanism that ensures the creation of value for the various stakeholders.

Celeo successfully executes its business plan, investing in assets maintenance and developing new projects that are the key to continuity and projection in the market.

It also seeks investments and new business development to continue providing the country with a quality transmission service. Each project demonstrates fulfillment of the responsibilities towards shareholders, who place their trust in the potential growth of the company. This is why work is being done to expand its presence in the country and consolidate itself in the national electricity market.



6.2.1 Our results

[201-1]

Celeo's income comes from two sources. The main source is the State-regulated charge for the use of electrical transmission systems (VATT). On the other hand, income is also received from services provided to its customers.

ECONOMIC VALUE GENERATED AND DISTRIBUTED IN MUSD

	2018	2019
Economic value generated	51.65	55.86
AJTE transmission toll revenue	32.02	31.69
CHATE Transmission Toll Revenue	17.87	18.31
DATE Transmission Toll Revenue	0	5.62
Other income	1.77	243
Economic value distributed	39.42	52.2
Operational expenses	6.65	8.63
Payment to suppliers	-	8.63
Amount invested in communities	-	-
Amount invested in the environment	-	-
Donations	-	-
Salary and benefits to collaborators	1.59	3.52
Capital providers (financial cost)	27.15	27.91
Payments to the State (taxes)	4.04	5.96
Withheld value	12.28	9.85

Note: MUSD = Million dollars.

6.2.2 Expanding our business

As this is a highly regulated industry, the main source for the development of new business is via the involvement in Public Tenders of Coordinador Eléctrico Nacional (National Electricity Coordinator). For this reason, Celeo seeks new opportunities which enable it to expand the project portfolio via both tenders and operation for third parties.

Collaboration between the various teams of the Company in preparing proposals has been a great advantage in these processes. Each tender is carefully studied by the Business Development and Regulatory Affairs unit, which coordinates the preparation of the proposal through a specific team and has the support of the Administration and Finance Management Office, in addition to the technical oversight of the operations management office. These synergies are key to correctly and competitively developing a project cost budget.

On their part, the teams from the Legal, Occupational Health and Safety, and Environment and Communities units, make observations on the proposal in terms of the impacts that the development of the project would have, and opportunities to generate value.

This has resulted in the awarding of five projects in Celeo's history, three already in operation and two awarded in 2018 and already under development.

Another line of business that will continue to be strengthened is the operation with third parties that is conducted via the Control Center. This is possible thanks to the team that is highly trained for these duties. Operates other transmission lines and renewable energy generation plants, always maintaining the supply security and quality.

CONTROL CENTER CUSTOMERS

NAME	TYPE
First solar	Photovoltaic
Santiago solar	Photovoltaic
Transchile	Transmission line

6.2.3 Solid finances

In order to execute the projects, various sources of external financing are required to cover a significant part of the total investment.

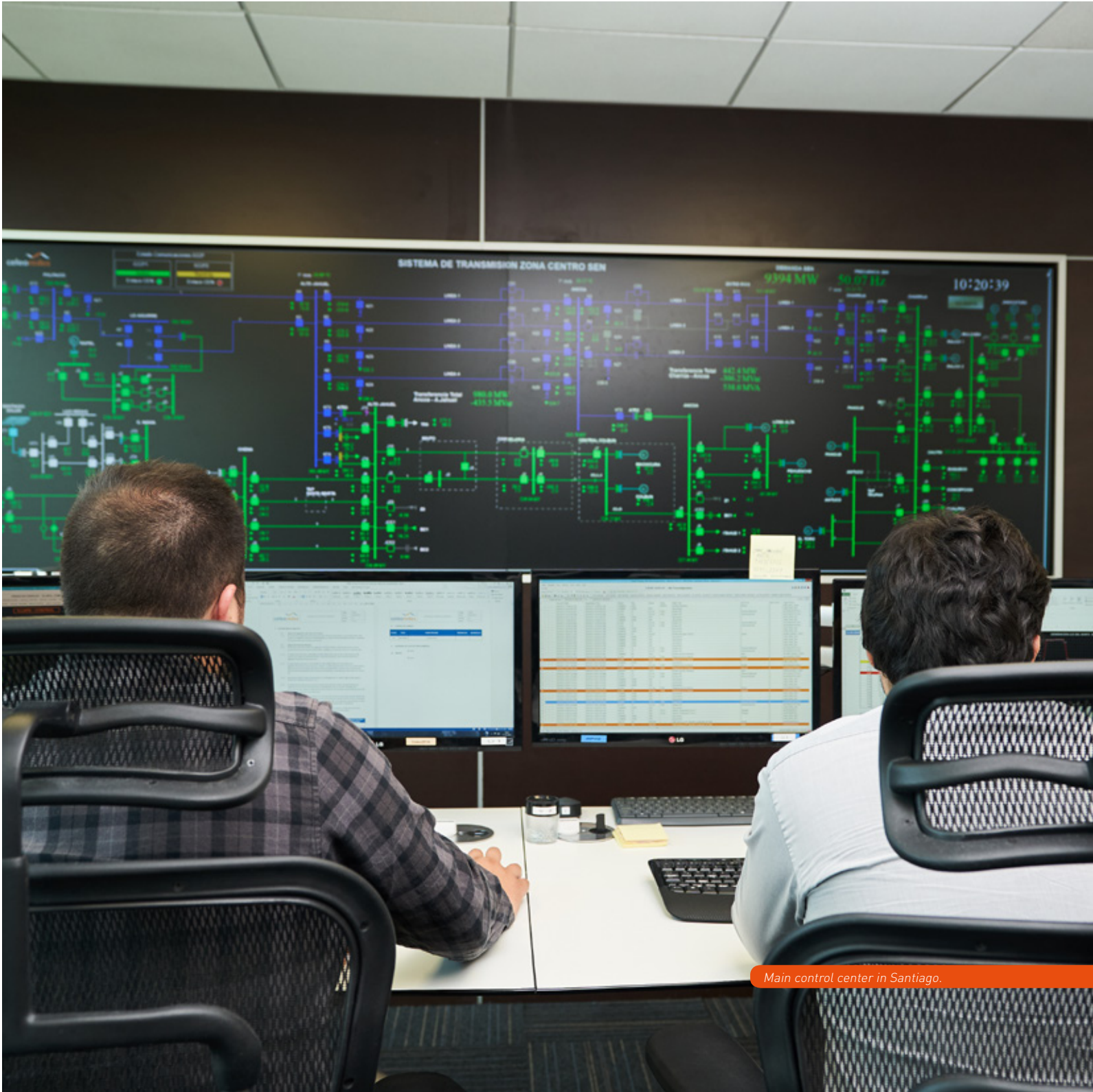
The financing strategy, therefore, is a critical aspect of the business, since the success of the efforts leading to sustainable development depends on it. The financing required by Celeo is highly structured and includes various conditions and specifications that support the Company in remaining competitive against the competition and can generate bids in tenders that are beneficial for the development of the country.

Issue of a 30-year bond

In December 2019, Celeo, through its subsidiary CRC Transmission SpA, completed the issuance of a 30-year private bond for a sum of USD 365 million, in the international market.

2019 BOND			
Currency	Issue amount	Placement date	Term (maturity)
USD	365,000,000	06-12-2019	30-11-2049

The financial pillar of the business is truly relevant for Celeo, which is why steps are taken to create and strengthen long-term relationships of trust with institutional investors and financial institutions in general. These business agreements are based on principles of transparency, professionalism and mutual benefit, which has been a differentiating element of the Company within the industry and has also been a significant contribution to support the expansion that its activity has had in recent years.



Main control center in Santiago.

6.3 OPERATIONAL CONTINUITY

[103-2, 103-3]



Operational continuity mainly focuses on the proper operation of the systems, to provide a reliable and safe electricity supply for society.

The success of a transmission company is in its ability to adequately satisfy and serve the requirements of CEN, which is why it is crucial to ensure the proper operation of its assets, so that eventual failures in its systems do not the availability and reliability of the electrical supply.

This implies that the infrastructure must be robust enough to be prepared for eventualities, and to include risks that may affect the company's transmission facilities and the systems that keep them in operation.

That is why technical and professional teams are aware of their great responsibility, since they know that their work directly impacts the quality of life and development opportunities of millions of people. Given the above, the Company stands out in the efficiency and safety of its facilities, having processes and operations with strict and rigorous control systems and procedures.



6.3.1 We seek a reliable electrical supply

[G4-EU4, G4-EU21]

Celeo maintains a total length of 506 kilometers¹⁷ of 220 kV to 500 kV overhead power lines, which represents a challenge to ensure that the infrastructure enables the delivery of a continuous electricity supply and be a contribution to the development of the country.

What is supply continuity?

[G4-EU28, G4-EU29]

It is a service quality factor relative to the number and duration of service interruptions. These can be unforeseen or scheduled to allow planned work on the network.

Chile's new energy policy indicates that, by 2035, the unavailability of the average electricity supply, without including force majeure cases, should not exceed four hours per year in any locality of the country, a goal challenging all companies in the generation, transmission and distribution to improve their quality of service.

The Operation and Maintenance area is in charge of generating procedures and instructions to achieve a continuous availability of the facilities and thus allow energy to be transported across the lines without interruptions.

An identification of risks that could affect the facilities was carried out for this purpose, and an action plan was prepared in relation to the probability of occurrence. The unit maintains preventive plans pursuant to the best practices in the industry and

also contingency plans in the event of catastrophes or socio-environmental impacts.

Additionally, training was provided for workers on: new methodologies for checking lines, cuts, scheduled pruning and strip cleaning to maintain the condition thereof and prevent fires. For this purpose, USD 154,441 were invested in activities conducted with third parties, (includes felling, removal of plant material and chipping) which do not include activities conducted by their own personnel.

¹⁷ AJTE: 256 KM, CHATE: 198 KM, DATE: 52 KM.

Why should the vegetation near the transmission lines be intervened?

[G4-EU6]

Vegetation near transmission lines poses a threat to the conservation of the areas where they are located, since interaction with electricity that goes through the lines can create a fire, affecting the habitat and biodiversity of the flora and fauna found in location, even being able to extend to nearby populated areas. The activity of removing vegetation or material near the lines allows for a reliable electrical supply.

In a fire season, plant material near the lines can cause power cuts, because smoke can cause insulator failure.

During 2019, Celeo used a crushing machine for its cutting, rubbing and pruning activities, in order to improve the management of plant waste.

All maintenance management materializes in the availability index, which was 99.98% during 2019. These indexes show the great management conducted by the Operation and Maintenance unit, which has maintained the service 99.98% of the time with only 12 hours of forced disconnections per year.

OPERATIONAL CONTINUITY (%)				TOTAL FAILURE HOURS			
INSTALLATION	2017	2018	2019	INSTALLATION	2017	2018	2019
AJTE 3	99.80	99.99	99.99	AJTE 3	17.63	0.58	0.40
AJTE 4	98.61	100.00	99.94	AJTE 3	121.98	0.00	5.40
CHATE	100,00	100,00	99.97	AJTE 4	0.00	0.00	2.30
DATE	-	-	99.99	CHATE	-	-	4.13
AVERAGE	99.47	100.00	99.98	TOTAL	139.61	0.58	12.23

Source: Operation and Maintenance Unit.

Note: Operational continuity is measured per circuit. In the case of AJTE 3, AJTE 4 and CHATE, each one has one circuit, while in the case of DATE, it was averaged for its eight circuits (two 52-kilometer circuits and six 1-kilometer circuits, which correspond to segments of existing circuit sections) resulting in 99.99% availability for its 4.13 failure hours.



Scheduled losses of power

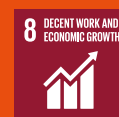
G4-EU12

Losses in transmission lines are defined by Coordinador Eléctrico Nacional (National Electricity Coordinator) (CEN), body in charge of determining and coordinating the operation of the set of facilities of the Sistema Eléctrico Nacional (National Electricity System).

Charrúa-Ancoa 2x500 kV line.

6.4 INNOVATION AND TECHNOLOGY

[103-2, 103-3]



The development of current societies involves new challenges whose solution requires new technology and innovation for sustainable development.

Celeo, due to its category, must apply technology for the proper operation of its processes. Similarly, the Information Technology (IT) unit is constantly looking for improvements that may optimize operating processes.



6.4.1 Technology in our processes

[G4-EU8]

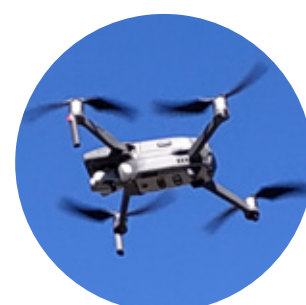
The Company works in the continuous improvement of its processes by including technology and innovation to maintain the supply availability in an efficient fashion.

Work was done during 2019 on a fault location system for high-voltage lines, the iQ+ master station software, which adds greater precision in identifying fault locations, in such a way as to reduce response times for service restoration.

Linemen were trained in drone management for their use in daily inspections of the facilities, which have a license issued by Dirección General de Aeronáutica Civil (Civil Aviation General Directorate) (DGAC) for the operation of the drones. This technological addition helps in the observation of areas with difficult access and improves the safety of workers dedicated to this task.

Were trained

4 Linemen
in this sense



Also, Celeo was the first company in Chile to put the remote protection reading system (SLRP) required by CEN into operation.

The Remote Protection Reading System (SLRP) project arises as a regulatory requirement from the Technical Standard for Safety and Quality of Service (NTSyCS), which is mandatory for all coordinated entities with facilities larger than 200 kV and aims to provide Coordinador Eléctrico Nacional (National Electricity Coordinator) with the required information that allows for the monitoring and verification of the performance of the electrical system in a better fashion.

The project was awarded to the SEIS S.A. company and consists of the installation of specialized Hardware at the substation, for the collection of oscillographies and events reported by the electrical protection system and a Software module that allows for a friendly user interface. The installation and configuration work was carried out jointly by specialist personnel from Celeo and SEIS S.A.

The SLRP enables having all records generated by the protections, as well as having traceability of adjustment changes made to each relay. It is an important tool for performing system scans during failure events in near real time.



Cumbre substation, Atacama region.

07

ANNEXES



7.1 TABLE OF CONTENTS

[102-55]

NOMENCLATURES

N/A	Not applicable for Celeo Chile
N/I	No information
NMT	Index corresponding to a non-material topic for Celeo

GRI Content - New standards

CODE	NAME	PAGE
Profile		
Organization Profile		
102-1	Name of the organization	4
102-2	Activities, brands, products and services	30
102-3	Facility location	4
102-4	Operations locations	4
102-5	Property and legal form	4 and 70
102-6	Markets served	34
102-7	Organization size	30
102-8	Information on employees and other workers	98
102-9	Supply chain	127
102-10	Significant changes to the organization and its supply chain	16
102-11	Precautionary principle or approach	139
102-12	External initiatives	65
102-13	Membership on associations	65
Strategy		
102-14	Statement from top executives in charge of decision making	11-12
102-15	Main impacts, risks and opportunities	52
Ethics and integrity		
102-16	Values, principles, standards and rules of conduct	38, 68 and 90
102-17	Advisory Mechanism and Ethical Concerns	87
Governance		
102-18	Governance structure	72
102-19	Delegation of authority	84

CODE	NAME	PAGE
102-20	Executive level responsibility for EAS issues	84
102-21	Consultation from interest groups on economic, environmental and social issues	20 and 26
102-22	Composition of the highest governance body and its committees	72
102-23	Chairman of the highest governance body	11 and 74
102-24	Nomination and selection of the highest governance body	76
102-25	Conflicts of interest	87
102-26	Role of the highest governance body in the selection of objectives, values and strategy	74
102-27	Collective knowledge of the highest governance body	S/I
102-28	Performance evaluation of the highest governance body	Not performed
102-29	Identification and management of economic, environmental and social impacts	52
102-30	Efficacy of risk management processes	52
102-31	Review of economic, environmental and social issues	74
102-32	Role of the highest governance body in preparing sustainability reports	74
102-33	Communication of critical concerns	24
102-34	Nature and total number of critical concerns	24
102-35	Remuneration policies	102
102-36	Process to define remunerations	103
102-37	Stakeholders involvement in remunerations	S/I
102-38	Annual total compensation ratio	S/I
102-39	Percentage increase ratio in total annual compensation	S/I
Available to all stakeholders		
102-40	List of stakeholders	26
102-41	Collective negotiation agreements	Does not have unions
102-42	Identification and selection of stakeholders	26
102-43	Approach for the involvement of stakeholders	20
102-44	Key issues and concerns mentioned	20 and 26
Practices for the preparation of reports		
102-45	Entities included in the consolidated financial statements	70
102-46	Definition of the contents of the reports and topic coverage	20
102-47	List of materials topics	20
102-48	Information reexpression	20
102-49	Changes to report preparation	20
102-50	Report period	20
102-51	Date of last report	20
102-52	Reporting preparation cycle	20
102-53	Point of contact for questions about the report	4
102-54	Report preparation statement, pursuant to GRI standards	20

CODE	NAME	PAGE
102-55	GRI Table of Contents	172
102-56	External verification	20
Management Approach		
103-1	Explanation of the material topic and its coverage	24-25
103-2	Management approach and its components	See each material topic
103-3	Assessment of the management approach	
Theme standards		
GRI 201: 2016 Business performance		
201-1	Generated and distributed direct economic value	158
201-2	Financial implications and other risks derived from climate change	52 and 152
201-3	Defined benefit plan and other retirement plans obligations	TNM
201-4	Financial assistance received from the government	N/A
GRI 202: Market presence 2016		
202-1	Ratio of standard entry-level salary to local minimum wage	98
202-2	Share of senior executives recruited from the local community	N/A
GRI 203: Indirect economic impacts 2016		
203-1	Investments in infrastructure and supported services	122
203-2	Significant indirect economic impacts	N/A
GRI 204: Acquisition practices 2016		
204-1	Local suppliers spending share	TNM
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for corruption related risks	87
205-2	Communication and training on anti-corruption policies and procedures	87
205-3	Confirmed cases of corruption and measures taken	91
GRI 206: Unfair competition 2016		
206-1	Legal proceedings related to unfair competition and monopolistic practices and against free competition	91
GRI 301: Material 2016		
301-1	Materials used by weight or volume	NMT
301-2	Recycled supplies	NMT
301-3	Reused products and packaging materials	NMT
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	132
302-2	Energy consumption outside the organization	N/A
302-3	Energy intensity	Not reported
302-4	Reduction of energy consumption	132
302-5	Reduction of energy requirements for products and services	S/I

CODE	NAME	PAGE
GRI 303: Water 2018		
303-1	Interactions with water as a shared resource	134
303-2	Management of impacts related to water discharges	N/A
303-3	Water extraction	N/A
303-4	Water discharges	N/A
303-5	Water consumption	134
GRI 304: Biodiversity 2016		
304-1	Operations centers located within or near protected areas	140
304-2	Significant impacts from activities on biodiversity	143
304-3	Protected or restored habitats	143
304-4	Species listed on the UINC Red List	140
GRI 305: Emissions 2016		
305-1	Direct GHG emissions (scope 1)	149
305-2	Indirect GHG emissions when generating energy (scope 2)	149
305-3	Other indirect GHG emissions (scope 3)	149
305-4	GHG emissions intensity	150
305-5	GHG emissions reduction	149
305-6	Emissions of ozone layer depleting substances (ODS)	N/A
305-7	Nitrogen oxides (Nox), sulfur oxides (Sox) and other emissions	151
GRI 306: Effluents and waste 2016		
306-1	Water discharge in terms of quality and final destination	N/A
306-2	Waste by type and disposal method	135
306-3	Significant spills	N/A
306-4	Hazardous waste transportation	135
306-5	Bodies of water affected by water spills and / or slags	N/A
GRI 307: Environmental compliance 2016		
307-1	Breach of environmental legislation and regulations	91
GRI 308: Supplier environmental assessment 2016		
308-1	Suppliers who have passed assessment and selection checks pursuant to environmental criteria	TNM
308-2	Negative environmental impacts in the supply chain	137
GRI 401: Employment 2016		
401-1	New employee hires and staff turnover	98
401-2	Employee benefits	TNM
401-3	Parental leave	TNM
GRI 402: Worker - company relations 2016		
402-1	Minimum notice periods for operational changes	TNM

CODE	NAME	PAGE
GRI 403: Work health and safety 2018		
403-1	Occupational health and safety management system.	106
403-2	Hazard identification, risk assessment and incident investigation	111
403-3	Occupational health services.	111
403-4	Worker involvement, consultation and communication on SYS.	108
403-5	Training of workers on occupational health and safety.	108
403-6	Promotion of workers' health	108
403-7	Prevention and mitigation of impacts on workers' health and safety.	111
403-8	Workers covered by a health and safety management system.	106
403-9	Work-related injuries.	111
403-10	Occupational ailments and diseases	111
GRI 404: Training and teaching 2016		
404-1	Average training hours per year per employee	116
404-2	Programs to improve employee skills and promote transitioning	119
404-3	Percentage of employees receiving performance reviews	115
GRI 405: Diversity and equal opportunities 2016		
405-1	Diversity in government bodies and employees	102
405-2	Base salary and women vs men remuneration ratios	102
GRI 406: Non-discrimination 2016		
406-1	Discrimination cases and corrective actions taken	There were none
GRI 407: Freedom of association and collective negotiations 2016		
407-1	Operations and suppliers whose right to freedom of association and collective negotiations could be at risk	TNM
GRI 408: Child labor 2016		
408-1	Operations and suppliers with a significant risk of child labor cases	TNM
GRI 409: Forced or compulsory labor 2016		
409-1	Operations and suppliers with a significant risk of forced or compulsory labor cases	TNM
GRI 410: Security practices 2016		
410-1	Security personnel trained in human rights	TNM
GRI 411: Rights of indigenous peoples 2016		
411-1	Cases of violations of indigenous peoples' rights	N/A
GRI 412: Human Rights Assessment 2016		
412-1	Operations reviewed or assessed on human rights	TNM
412-2	Human rights training for employees	TNM
412-3	Investment agreements and contracts with human rights clauses	TNM

CODE	NAME	PROFILE
GRI 413: Local communities 2016		
413-1	Operations with local community involvement	123
413-2	Operations with significant negative impacts on local communities	123
GRI 414: Supplier social assessment 2016		
414-1	New suppliers who have passed assessment and selection checks pursuant to social criteria	TNM
414-2	Negative social impacts in the supply chain and measures taken	TNM
GRI 415: Public policy 2016		
415-1	Contributions to political parties and / or representatives	N/A
GRI 416: Customer health and safety 2016		
416-1	Assessment of health and safety impacts from products and services	N/A
416-2	Non-compliance cases related to health and safety impacts from products and services	N/A
GRI 417: Marketing and labeling 2016		
417-1	Requirements for products and services' information and labeling	N/A
417-2	Cases of non-compliance related to products and services' information and labeling	N/A
417-3	Cases of non-compliance related to marketing communications	N/A
GRI 418: Customer privacy 2016		
418-1	Substantiated claims regarding breaches of customer privacy and loss of customer data	N/A
GRI 419: Socio-economical compliance 2016		
419-1	Breach of laws and regulations in social and economic matters	91

GRI G4 contents - Energy sector supplement

CODE	NAME	PAGE
Organization Profile		
G4-EU1	Installed capacity	N/A
G4-EU2	Net energy production	N/A
GR4-EU3	Number of consumption units	N/A
G4-EU4	Extension of overhead and underground transmission and distribution lines	163
G4-EU5	Allocation of emission rights (subsidies) for CO ₂ e emissions	152
Economic Category		
Reliability and availability		
G4-DMA EUSD EC (formerly G4-EU6)	Management approach to ensure the availability and reliability of the energy supply	164
G4-EU10	Planned capacity over projected long-term energy demand	N/A
Demand management		
GR4-DMA EUSD EC (formerly G4-EU7)	Demand side management program	N/A
Research and development		
G4-EU8	Activities and expenses related to research and development for energy supply reliability	
Plant dismantling		
GR4-DMA EUSD EC (formerly G4-EU9)	Provision for the decommissioning of nuclear power plants	N/A
Efficiency system		
G4-EU11	Thermoelectric plant average generation efficiency	N/A
G4-EU12	Transmission and distribution losses	165
Environmental Category		
Biodiversity		
G4-EU13	Replacement habitat biodiversity compared to biodiversity on affected areas	143
Social Category - Labor practices and decent work		
Employment		
GR4-DMA EUSD EC (formerly G4-EU14)	Programs and processes ensuring labor availability	TNM
G4-EU15	Percentage of employees entitled to retirement in the following 5 and 10 years	TNM

CODE	NAME	PAGE
GR4-DMA EUSD EC (formerly G4-EU16)	Policies and requirements regarding the health and safety of employees and contractors	110
G4-EU17	Days worked by subcontracted workers	S/I
G4-EU18	Percentage of subcontracted workers receiving relevant health and safety training	S/I
Social - Society Category		
Local communities		
GR4-DMA EUSD EC (formerly G4-EU19)	Involvement of stakeholders in energy planning processes for infrastructure development.	123
GR4-DMA EUSD EC (formerly G4-EU20)	Displacement impacts management approach	N/A
G4-EU22	Number of physically and economically displaced persons and compensation	120
Emergency and disaster planning and response		
G4-EU21	Contingency planning measures, management plan and disaster / emergency training programs, in addition to recovery / restoration plans	163
Social - Product responsibility category		
Customer health and safety		
G4-EU25	Number of service users' accidents and deaths	N/A
Access		
G4-DMA EUSD PR (formerly G4-EU23)	Programs to improve or maintain access to electricity	N/A
G4-EU26	Population not served in areas with a regulated distribution or service.	N/A
G4-EU27	Number of residential disconnections due to non-payment	N/A
G4-EU28	Equivalent frequency of interruption per consumer (FEC)	163
G4-EU29	Average duration of equivalent frequency of interruption per consumer (FEC)	163
G4-EU30	Average plant availability factor	N/A
Supply of information		
G4-DMA EUSD PR (formerly G4-EU24)	Practices for dealing with barriers to access to electricity and customer services, as well as its safe use	N/A

7.2 VERIFICATION LETTER



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INDEPENDENT REVISION REPORT OF CELEO SUSTAINABILITY REPORT 2019

Sirs
Celeo:

Present.

Please find here in the outcomes of the revision of the 2019 Sustainability Report of Celeo according to the following aspects:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2019 Sustainability Report to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

Standards and Assurance Process

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in an inquiry process involving different Celeo units and management areas, involved in the process of developing the Sustainability Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meeting with Sustainability management.
- ✓ Requirements and review of evidence with the areas participating in the preparation of the 2019 Sustainability Report.
- ✓ Analysis of the adherence of the contents of the 2019 Sustainability Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.
- ✓ Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2019 Sustainability Report, and its adequate gathering from the data provided by Celeo information sources.

Conclusions

- ✓ The assurance process was based on the indicators established in the materiality process carried out by Celeo. Once those indicators were identified, prioritized, and validated, they were included in the report. The reported and verified indicators appear in the following table:

102-1	102-2	102-3	102-4	102-5	102-6	102-7
102-8	102-9	102-10	102-11	102-12	102-13	102-14
102-15	102-16	102-17	102-18	102-19	102-20	102-21
102-22	102-23	102-24	102-25	102-26	102-28	102-29
102-30	102-31	102-32	102-33	102-34	102-35	102-36
102-40	102-41	102-42	102-43	102-44	102-45	102-46
102-47	102-48	102-49	102-50	102-51	102-52	102-53
102-54	102-55	102-56	103-1	103-2	103-3	201-1
201-2	202-1	203-1	205-1	205-2	205-3	206-1
302-1	302-4	303-1	303-5	304-1	304-2	304-3
304-4	305-1	305-2	305-3	305-4	305-5	305-7
306-2	306-4	307-1	308-2	401-1	403-1	403-2
403-3	403-4	403-5	403-6	403-7	403-8	403-9
403-10	404-1	404-2	404-3	405-1	405-2	406-1
413-1	413-2	419-1				

- ✓ Regarding the verified indicators, we can say that no aspect has arisen to lead us to believe that the 2019 Sustainability Report of Celeo has not been prepared in accordance with the GRI Standards in those areas identified in the scope.

Celeo Management and Deloitte Responsibilities

- The drafting of the 2019 Sustainability Report, as well as its contents are under Celeo responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared exclusively by Celeo's request, in accordance with the terms established in the Engagement Letter.
- We have developed our work according to the standards of Independence established in the Code of Ethics of the IFAC.
- The conclusions of the verification made by Deloitte apply to the latest version of the Celeo Sustainability Report received on May 05, 2020.
- The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2019 Celeo Sustainability Report.

Fernando Gaziano
Partner

May 8, 2020



SUSTAINABILITY
REPORT

2019