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# Sustainability Report

Inversiones Eléctricas  
del Sur S.A.

---

*grupo*  
**SAEsa**





In these difficult times where people's quality of life has been compromised, our Vision mobilizes us more than ever to deliver safe and reliable energy, **trying to contribute to the sustainable development of Chile.**

## **Sustainability Report**

Inversiones Eléctricas del Sur S.A.







# Overview of the company

**Company Name:**

Inversiones Eléctricas del Sur S.A.

**DBA**

Eléctricas del Sur.

**ID No. :**

76.022.072-8

**Type of Entity:**

Closely Held Corporation

**Securities Register Registration:**

N° 1.016

**Legal and Business Address:**

Isidora Goyenechea 3621 Piso 20,  
Las Condes, Santiago.

**Contact:**

2 2414 7010 – 2 24147 500.

sustentabilidad@saesa.cl

[www.gruposaes.cl](http://www.gruposaes.cl)

**COLOPHON****Report prepared by:**

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CEO's Office

**Sustainability, content development, and GRI  
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Sustenta +

**Design:**

DA Diseñadores

**CONTACT INFORMATION**

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**Grupo Saesa**

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## Letter from the chief Executive Officer



“We are immensely proud of each and every one of our employees who, in the midst of the storm, gave their best to provide all of our customers with an unprecedented level of commitment and personal effort.”

**JORGE LESSER GARCÍA-HUIDOBRO**

Chairman  
Grupo Saesa



The COVID-19 pandemic has left a profound mark around the world. Along 2020 we have seen how this disease has threatened the lives of many and forced us to make major changes in our day-to-day lives, distancing us from loved ones and affecting the way we used to carry out our daily activities. The health crisis has also posed a major challenge to the health sector, as well as to governments and organizations, driving the adoption of new ways of living, working, and relating.

At Grupo Saesa we have also felt the effects of the pandemic. The electricity industry has faced a new demand for energy, which has become even more essential in this complex scenario, as we have had to incorporate activities such as remote work and distance education, which have added to the functioning of the various sectors of the economy. This has pushed us to implement new technologies and to modernize our processes to face this arduous scenario, challenging us to fulfill our purpose of delivering a continuous and quality electricity supply to our customers.

It was in this context that all the efforts deployed in 2020 were focused on achieving this purpose, providing the greatest support and facilities to ensure the permanent availability of our service to them. In this regard, we were pioneers in adopting assistance measures such as the elimination of supply disconnection for non-payment, elimination of the winter limit surcharge, incorporation of 41 thousand users in the support registry for vulnerable groups and offering payment agreements to our individual customers and some 400 SMEs, among other measures.

Maintaining a fluid communication and relationship was another focus of our management. For this reason, we set up a WhatsApp number for customer service, reinforced our social networks and strengthened our Contact Center and toll-free number. On the other hand, we reopened our technical and in-person pay offices as soon as possible so that the community could continue to feel close to us and we, at the same time, could reach out to those who do not have the means to approach us in any other way. We also provided innovative technological solutions, such as the installation of smart meters or self-reading meters,





# | Letter from the chief Executive Officer



through which residential customers regularly enter their consumption.

Thus, in the midst of a year with great complexities, we were able to achieve the best quality of service in our history in December, attaining the highest standards proposed by the regulator in 115 municipalities that account for 90% of the total number of municipalities in which we operate. This represented a 53% improvement over 2019 figures and a 547% improvement over 2018.

The support and effort of our more than 1,500 employees has been vital in this journey. They, along with some 4,500 contractors, are the heart of our company, and their well-being has become more than ever our priority. From the beginning of the pandemic, we took precautions to avoid contagion, we implemented remote work for 75% of our employees, putting into practice labor flexibility, as well as collaborative and telecommuting of the teams, which meant that Microsoft recognized us for the use of the Microsoft Teams tool.

We also created the “Saesa Salud App” in order to monitor and provide various recommendations related to the health and safety of all the people who make up our company. We also provided various opportunities for self-care, psychological support,

stress management, and for our employees who are parents, we offered parenting workshops where specialists guided them in the process of educating their children at home.

These and many other initiatives, promoted under the slogan “Proud to the Core,” allowed us to once again obtain 2nd place in the Great Place to Work ranking of the best companies to work for in Chile.

Finally, and inspired by our Sustainability Strategy, we wanted to go further and come to the aid of our communities and society during the hardest moments of the pandemic. Thus, during this period we supported research for the development of mechanical ventilators that we finally donated to the hospitals of Valdivia, Osorno and Puerto Montt, the latter also benefiting from the contribution of 3 pieces of intubation equipment. We also delivered tablets to rural schools to facilitate distance education for the most vulnerable students. We also provided support by having our crews work on providing electric power to the barriers and sanitary cordon, among many other initiatives. At this point I cannot fail to mention once again our employees, who promoted a solidarity campaign to help more than 400 vulnerable families in our concession area with grocery boxes.

We are proud of our team, our company, and the progress we have made in such a challenging year for all of us. We implemented new technology to provide a better service, we innovated in management and processes, entering the digital world, and we maintained our commitment to our employees, customers, and the society. You can read all of this in this document, the second version of our Sustainability Report, which summarizes not only our management in this demanding year, but also other elements of our economic, social, and environmental activities.

**FRANCISCO ALLIENDE**

Chief Executive Officer  
Grupo Saesa.





## Our Company in Figures

**921,560**

**Total customers**  
Up 3.2% from 2019

**\$131,453**

billion  
**EBITDA**

**5,099**

**Customer**  
in off-grid areas

**\$169,091**

billion  
Total investment

**91**

**Total distribution**  
subsidiaries' in-person  
service offices

**24%**

Power-dependent  
customer increase  
in **2019-2020**

**10**

**Regions** with  
local workforce

**2<sup>nd</sup> Place**

Great Place to Work (GPTW)  
**Ranking in Chile**

**+5.000**

**Social program**  
beneficiaries

**1,556**

**Workers**  
in Chile

**5 Regiones**

Regions benefiting from  
**social programs**

**6**

**Social programs**

**202**

Chilean contractors

**\$439 MM**

million  
**Social investment**

**7**

**New substations**

**215,990,927**

**kWh**  
Total **power**  
generation

**115,927,381**

**kWh**  
Total **NCRE**





# Energy challenges in times of pandemic

Role of Electric Power in this Context · 10

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## 01 Section







## | Role of Electric Power in this Context

The emergence of COVID-19 at the beginning of 2020 was the starting point for a period of change that has affected the entire world and all sectors of the economy, and we still do not know when it will end.

Measures to control the spread of the disease, such as isolation or quarantine, together with the importance that the health sector obviously represents in this context, have highlighted the key role played by electric power in the challenge of maintaining continuity of service in conditions of quality and reliability for all. The operation of hospitals and clinics, remote work, online classes for our children, among countless other things that rely on electricity, depend on it.

Against this backdrop, we face very difficult challenges as a company. In addition to dealing with the concerns of the health crisis, we had to adapt quickly to a new way of working, temporarily suspend some of our processes, and find the best way to continue fulfilling our commitment to provide a continuous and stable supply, as we know that this service is essential for people's quality of life and the country's development.

The economy, and especially the electricity industry, is undergoing a period of transformation. As Grupo Saesa, we decided that in order to face this context we had to embrace these changes and even anticipate them, relying on technology, innovation, and digital transformation, among other tools. Accordingly, many of the projects

we had planned for the year, such as remote work, were brought forward due to the pandemic.

We are a company that provides a basic service and as such it is our duty to make ourselves available to the community and work to generate solutions to their problems in our field of action. That is why we were also quick to propose measures that would benefit our customers.







# Anticipating new regulations in pandemic

# 2020

## MARCH

- Remote work.
- Suspension of meter reading activities.
- Suspension of disconnection in case of past due bills.
- Possibility of renegotiating debt in up to 12 installments for the most vulnerable households registered in the Social Household Registry.
- Electric home heating pilot ends successfully in Coyhaique. In April 2019, the plan established special and reduced tariffs for energy used in heating.

## APRIL

- Suspension of winter tariffs for April, May, and June.
- Enactment of a law suspending winter tariffs for April and May and peak hour control.

## JUNE

- 90-day extension of suspension of disconnection in case of past due bills.
- Congress passes Law on Utilities.

- Saesa extends the benefits to those registered in the Register of Vulnerable Residential Customers immediately, as if the law had been enacted, including the new groups of beneficiaries indicated by the Regulator (SMEs and other vulnerable customers).

## AUGUST

- Law on Utilities is enacted, which suspends the disconnection of customers for unpaid bills during the pandemic and obliges companies to split the debt into installments.
- Decree provides suspension of winter tariffs for August and September.
- Government launches a 20% reduction in heating tariffs in specific communities in the south of the country to discourage use of firewood.

## OCTOBER

- Grupo Saesa extends benefits of the Law on Utilities to 24 installments.

## DECEMBER

- The Law on Utilities is extended, allowing customers with past due bills to pay the amount owed in up to 36 installments and to accumulate debt until May 2021.



**In our role as a basic service provider, we are committed to supplying electricity even to areas that,** due to their low consumption and their remoteness or isolation, are not attractive for distribution companies. A joint effort has been made by the government, private companies, and the users themselves, and the power grid has been successfully extended to remote areas. Due to the high cost of the tariffs in these cases, Grupo Saesa made an operating agreement for the Regional Government to subsidize the first 100 kWh, a measure that was later adopted for other off-grid systems.

Another example of how **Grupo Saesa** goes beyond its service area is the Paranal Observatory, where since 2017 we supply sustainable, permanent power to the facilities of the astronomical complex of the European Southern Observatory, ESO, located 130 kilometers south of Antofagasta.





# Billing and Charges: How is the electricity cost calculated?

One of the major issues that marked 2020 was provisional invoicing, a measure allowed by current regulations, which in exceptional cases allows companies not to read their customers' meters in person and issue bills with average consumption.

Applied at the beginning of the COVID-19 health crisis, provisional invoicing caused resistance among customers and showed that most of the population is not adequately informed about what they are paying for and how the electricity they consume is calculated.

As Grupo Saesa we renewed our efforts to keep our customers informed, with a campaign to inform them about the content of their bill and the way in which the charge for the energy consumed is calculated, adding explanations, and improvements in the charts, among other actions, within the limits allowed by law.

## Understanding your Electricity Bill

- |  |  |
|--|--|
| <b>01 Customer Number:</b><br>This number identifies the supply and facilitates your inquiries in offices or call centers. | <b>07 Payment Coupon:</b><br>Payment slip, usually used at in-person payment offices.                |
| <b>02 Name of Service:</b><br>Name of the person to whom the energy is supplied.   | <b>08 Last Payment:</b><br>The amount, date and office where your last payment was made.             |
| <b>03 Billing Address:</b><br>Address where the bill has to be sent.   | <b>09 Contact Us:</b><br>Various platforms available for customers to contact our company.           |
| <b>04 Total Amount:</b><br>Total amount due on your electric bill.   | <b>10 SEC Contact Channels</b><br>Contact channels for other queries or complaints.                  |
| <b>05 Due Date:</b><br>Due date for payment, after which interest will accrue.   | <b>11 Summary of Charges:</b><br>Type of rate and connected power charged.                           |
| <b>06 Disconnection Date:</b><br>Disconnection date due to previous unpaid balance.  | <b>12 Payment Options:</b><br>Payment options available for customers to pay their electricity bill. |

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# Billing and Charges: How is the electricity cost calculated?

01

## Your Electricity Charges:

Information on meter, like reading record, owner, and consumption.

02

## Last 13-Month Consumption:

Chart with your electricity consumption in the past 13 months in kWh.

03

## Consumption Comparison:

Consumption as of same month last year and last month.

04

## Useful Tips:

Energy efficiency tips.

05

## Glossary:

Definition of the items on your bill.

06

## Breakdown of Charges:

Charges in your monthly bill.



## Detalle de mi cuenta

06

<b>Servicio eléctrico</b>	
Administración del servicio (Cargo fijo mensual)	\$ 1254
Electricidad consumida (Cargo por energía base)	\$ 27.290
Transporte de la electricidad (Cargo (uso-sistema troncal))	\$ 208
<b>Otros cargos (no implican corte)*</b>	
Ajuste para facilitar el pago en efectivo, mes anterior	\$ 53
Ajuste para facilitar el pago en efectivo, mes actual	\$ -95
Cuota N° 4 de 6 de ajustes tarifarios 2016	\$ 1400
	\$ 30.042
	\$ 42
	\$ 30.000
<b>Total a Pagar</b>	<b>\$30.000</b>

No pagar estos cargos facultati a la empresa a iniciar acciones de cobranza.

05

Compensaciones SEC por interrupciones internas y externas PERIODO OCT2015-SEP2016  
Costo de falla 220-420  
Monto a compensar 0  
Energía no suministrada 0

## ¿Qué significa lo que estoy pagando?

**Administración del servicio:** Monto que se cobra por los gastos de administración facturación y atención al cliente, independiente del consumo de electricidad.

**Electricidad consumida:** Monto que se cobra por la electricidad consumida durante el periodo de facturación y que incluye el uso de postes y transformadores. Durante los meses de abril a septiembre se cobra la cantidad consumida hasta el límite de invierno.

## Mi consumo en el mes actual

01

Para determinar cuanto electricidad consumiste en el mes, se considera lo que marcó tu medidor en la "lectura actual" y se resta lo que marcó en tu "lectura anterior".

Medidor	Propiedad (Tipo Baja)	Lecturas (kwh)	Constante	Consumo Medidor
Cliente	A	L. Act.	10	
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
		L. Act.		
		L. Ant.		
Consumo total del mes =				

## ¿Cual fue mi consumo en los últimos 13 meses?

02



## Mismo mes del año pasado

03



## Mes pasado



Aprovecha las horas de luz. Baja las persianas cuando ya sea de noche y cubre las ventanas. Así evitas pérdidas de calor y gastas menos en calefacción.

No introduces alimentos calientes en tu refrigerador. Así evitas que tu refrigerador consuma electricidad adicional.

04

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Regarding billing, in Chile there are two types of customers from the tariff point of view: Unregulated and regulated. The former are those who, as a result of their high level of consumption, are recognized by law as having the capacity to negotiate their tariffs directly with a supplier. The latter are the customers that would not have such capacity; therefore, they must be governed by tariffs set by the regulator.

The formulas for calculating distribution tariffs for regulated customers in Chile are set every four years by the National Energy Commission (CNE), an agency under the Ministry of Energy.

Distribution tariffs are composed of 4 elements:

**1)** Costs at the generation level expressed through the average node prices calculated by the CNE every 6 months, based on prices obtained from supply bids, also regulated.

**2)** The costs of transporting electricity from generation points to the periphery of cities or large consumption points -corresponding to the regulated remuneration received by companies that own transmission lines-, expressed in single transmission charges (national, zonal, etc.) set by the CNE every six months.

**3)** Distribution costs -corresponding to the regulated remuneration obtained by the distribution companies for carrying electricity from the outskirts of the cities to each household connection within their concession area- expressed in the components of the DAV (Distribution Added Value) calculated by the CNE every 4 years.

**4)** The costs associated with financing the operation of the National Electricity Coordinator and the Panel of Experts of the Electricity Sector, expressed through the so-called public service charge reported annually by the CNE.

Based on the above, the generation company collects approximately 70% of the bill, the distribution company receives 20% and the transmission company and other entities get the remaining 10%. For example, in a \$10,000 bill, at least \$8,000 corresponds to the generation – transmission company and only \$2,000 to the company that distributes the electricity.







## | Changes in the regulatory environment

Chile's electricity sector consists of generation, transmission, and distribution of electric power. These activities are carried out by private companies and the Government plays a regulatory, oversight, and subsidiary role. As part of its regulatory role, in December 2019 the Government enacted Law 21,194, which amends the General Law of Electric Services and among other things requires distribution companies to be incorporated as companies exclusively devoted to distribution of electric power, i.e., they can only provide such public service, without being able to engage in generation or transportation activities.

On May 29, 2020, the Exemption Resolution N°176 deepens the application of the exclusive line of business, indicating that distribution companies are excluded from the sale of energy and power to users who have opted for a free tariff regime (unregulated customers), as well as the sale of other services and products.

The new regulations also state that companies will have to keep their income and costs derived from these activities under an independent accounting system, which will allow them to clearly and accurately differentiate the expenses and income derived from their activities.

Although the law determines that its requirements come into force on January 1, 2021, the major changes it implies for the way Grupo Saesa operates turned 2020 into a period of organization, process adaptation and general preparation.

Among the most significant actions carried out in this area is the sale, in June 2020, of Grupo Saesa's 50% interest in the companies Eletrans S.A., Eletrans II S.A. and Eletrans III S.A. to Chilquinta Energía S.A.

Meanwhile, at an extraordinary Shareholders' Meeting held on December 21, Sociedad Austral de Electricidad S.A. decided to split the Company in two, one of which was named Saesa Transmisión S.A. ("Saesa Transmisión"). The split-up entered into force on December 31, 2020.







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## 02 Section







# Business Strategy

Grupo Saesa's companies, engaged in the electricity distribution and transmission businesses and to a lesser extent in the generation business, are controlled by Inversiones Eléctricas del Sur S.A., the investee of the Ontario Teachers Pension Plan Board (OT-PPB) and Alberta Investment Management Corp (AIMCo). Grupo Saesa's structure is operationally decentralized and centrally managed. This allows companies to maintain their presence and proximity to customers in the different concession areas.

Our goal is to position Grupo Saesa as the best alternative for its customers, employees, and investors. To achieve this goal, we have developed a growth strategy and vision for 2022 focused on the disruptive transformation of our business and corporate culture.

An example of this is the digital and technological revolution we are carrying out within the Company, together with initiatives to further develop our human team, as well as measures to optimize the relationship with our customers and regulators and continue to be industry benchmarks in terms of safety.



## OBJECTIVES 2022



### CUSTOMERS

To reach a new standard in quality of service by significantly strengthening our relationship with customers, leveraging new digital systems to enhance their experience, and developing a truly customer-focused culture.



### SAFETY

To successfully implement the new Technical Standard on Distribution and Smart Metering projects while consolidating our leadership in occupational safety in the industry.



### REGULATION

To be a leading player in the development of the regulatory framework and new technologies in Chile, fostering close collaboration with regulators and communities.



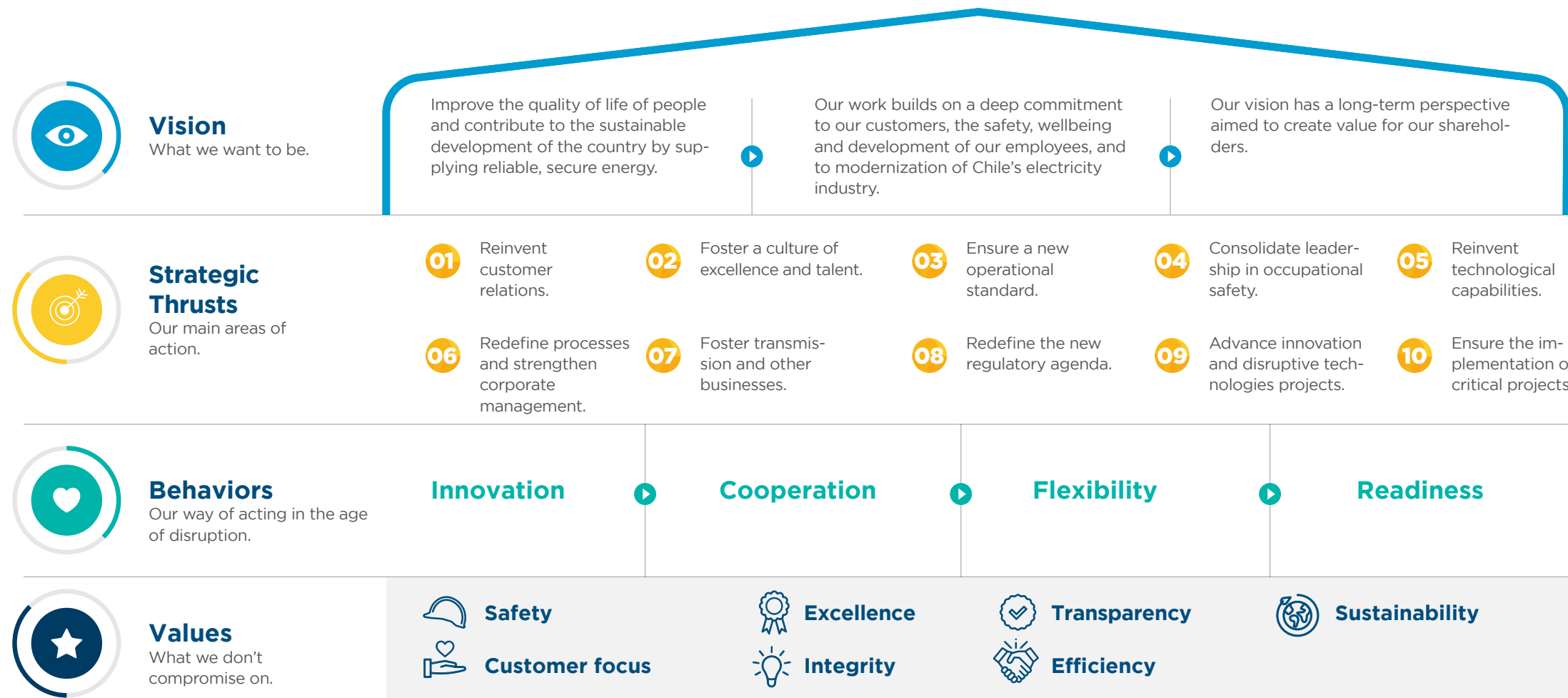
### INNOVATION

To advance the innovation agenda in all its business areas and explore the opportunities offered by new technologies of electrical goods and services used by customers on a daily basis.



# 2018 – 2022 Strategic Planning

Our action plan is based on the objectives we seek to achieve by 2022, identifying ten strategic thrusts that should guide the changes we are implementing in each of our areas of operation and the behaviors necessary to act in a disruptive manner in the search for and development of solutions that allow us to advance towards our objectives, having Grupo Saesa's corporate values as an unwavering basis.





# Operating Companies

Grupo Saesa consists of various operating companies, including power distribution companies Sociedad Austral de Electricidad S.A. (Saesa), Empresa Eléctrica de la Frontera S.A. (Frontel), Compañía Eléctrica Osorno (Luz Osorno), and Empresa Eléctrica de Aisén S.A. (Edelaysen),

power transmission companies Sociedad de Transmisión Austral S.A. (STA), Sistema de Transmisión del Sur S.A. (STS), Sistema de Transmisión del Centro S.A. (STC), Sistema de Transmisión del Norte S.A.

(STN), Sociedad Austral de Transmisión Troncal S.A. (SATT), Saesa Transmisión S.A., Frontel Transmisión S.A., and Línea de Transmisión Cabo Leones S.A.,

a power trading company, Sociedad Generadora Austral S.A. (SGA) and a generation company, SAGESA S.A.

Finally, it also includes the companies Saesa Gestión y Logística SpA. and Saesa Innova SpA.



## Geographical coverage of operating companies

### FRONTEL

Region	Offices
Del Biobío	23
De La Araucanía	22



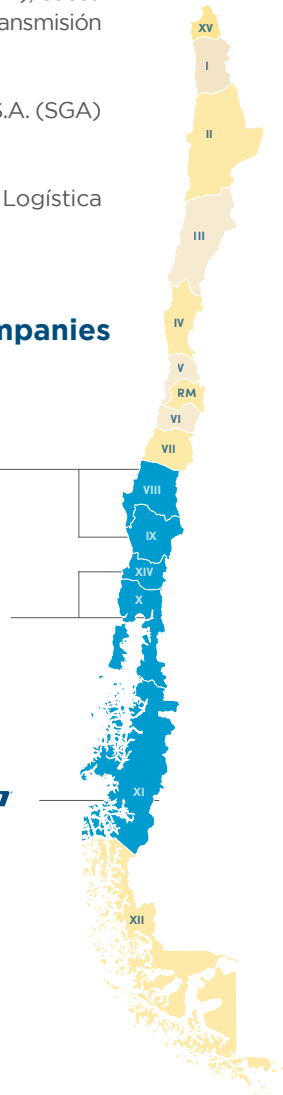
### SAESA / LUZ OSORNO

Region	Offices
De los Ríos	11
De Los Lagos	21



### EDELAYSEN

Region	Offices
Aysén del Gral. Carlos Ibáñez del Campo	12



## Distribution business customers

	2020	2019	VAR %
Saesa	470.912	455.055	3,5%
Frontel	375.610	365.747	2,7%
Luz Osorno	25.154	23.985	4,9%
Edelaysen	49.884	48.528	2,8%
TOTAL	921.560	893.315	3,2%





# Operating Companies

## Generation



## Transmission



**CABO LEONES S.A.**  
LÍNEA DE TRANSMISIÓN

## Distribution



## Trading



## Limited Liability Companies



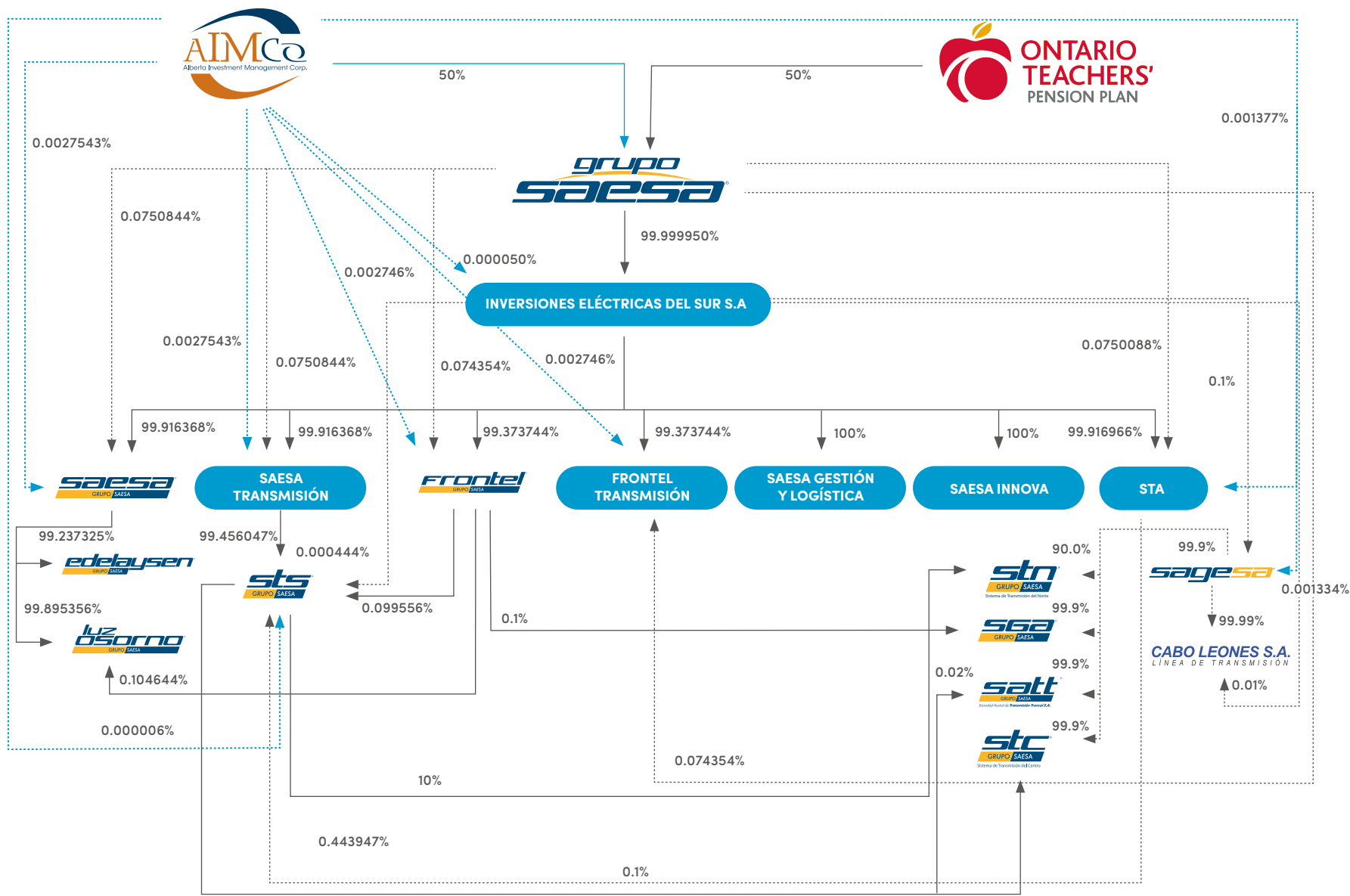
- Inversiones Los Ríos
- Inversiones Los Lagos IV





# Ownership Structure

As of December 31, 2020 the Company's ownership structure is as follows:





# Corporate Structure

The Board of Directors of Inversiones Eléctricas del Sur S.A. and its operating companies consists of eight members, excluding alternate directors. Directors serve for a term of two years and may be reelected.

2

Female members  
in Board of Directors

17

Committees made up  
of senior executives

50%

of the Board members  
are foreigners

MEN	WOMEN	TOTAL
6	2	8

NATIONALS	FOREIGN
4	4

Number of Board members by age range

UNDER 30 YEARS	BETWEEN 30 AND 40	BETWEEN 41 AND 50	BETWEEN 51 AND 60	BETWEEN 61 AND 70	OVER 70
0	1	3	2	1	1

Number of Board members by seniority

UNDER 3 YEARS	BETWEEN 3 AND 6 YEARS	OVER 6 BUT UNDER 9 YEARS	BETWEEN 9 AND 12 YEARS	OVER 12 YEARS
1	1	4	1	0



**Chair**  
**Jorge Lesser**  
**García-Huidobro**  
Civil Engineer  
ID No. 6.443.633-3





**Regular Director**  
**Juan Ignacio Parot**  
Civil Industrial Engineer  
ID No. 7.011.905-6





**Regular Director**  
**Stacey Purcell**  
Business  
Administrator  
Foreign National






**Regular Director**  
**Ashley Munroe**  
Civil Engineer  
Foreign National





**Vicepresidente**  
**Iván Díaz-Molina**  
Ingeniero Civil  
Rut 14.655.033-9





**Regular Director**  
**Waldo Fortín**  
Lawyer  
ID No. 4.556.889-K





**Director titular**  
**Christopher Powell**  
Ingeniero Bachiller  
en Ciencias  
Extranjero





**Regular Director**  
**Jon Reay**  
Investment Manager  
Foreign National





# Management

## Chief Executive Officer

Francisco Alliende Arriagada / Business Administrator  
ID No. 6.379.874-6  
Appointed on February 1, 2012

## Chief Operations Officer

Raúl González Rojas / Civil Electrical Engineer  
RUT 7.741.108-9  
Appointed on September 10, 2012

## Chief Administrative and Financial Officer

Víctor Vidal Villa / Civil Industrial Engineer  
ID No. 9.987.057-5  
Appointed on April 11, 2012

## Legal Counsel

Sebastián Sáez Rees / Lawyer  
ID No. 8.955.392-K  
Appointed on October 1, 2007

## Commercial SAP Project Officer

Patricio Turén Arévalo / Civil Industrial Engineer  
ID No. 7.256.279-8  
Appointed on January 1, 2018

## Trade Officer

Marcelo Bobadilla Morales / Civil Electrical Engineer  
ID No. 10.151.086-7  
Appointed on September 1, 2009

## Distribution Projects Officer

Paolo Rodríguez Pinochet / Electrical Engineer  
ID No. 13.199.851-1  
Appointed on December 1, 2018

## Regulation Officer

Rodrigo Miranda Díaz / Civil Electrical Engineer  
ID No. 10.784.472-4  
Appointed on September 10, 2012

## HR Officer

María Dolores Labbé Daniel / Business Administrator  
ID No. 13.117.638-4  
Appointed on December 10, 2013

## Business Development Officer

Charles Naylor Del Río / Civil Industrial Engineer  
ID No. 7.667.414-0  
Appointed on May 15, 2014

## Strategic Planning, Management, and Risks Officer

Marcela Ellwanger Hollstein / Business Administrator  
ID No. 12.752.648-6  
Appointed on December 10, 2013

## Transmission Officer

Marcelo Matus Castro / Electrical Engineer  
ID No. 11.364.868-6  
Appointed on December 17, 2018

## Operational Development Officer

Leonel Martínez Martínez / Electrical Engineer / ID No.  
14.556.330-5  
Appointed on January 1, 2018

## Risk Prevention Manager

Patricio Velásquez Soto / Risk Prevention Engineer  
ID No. 12.540.271-2  
Appointed on October 30, 2013

## Internal Audit Director

Jorge Castillo Quiroz / Accountant-Auditor  
ID No. 7.759.917-7  
Appointed on October 1, 2013

## Regulation Manager

Jorge Muñoz Sepúlveda / Civil Electrical Engineer / ID No.  
11.694.983-0  
Appointed on September 1, 2009

## Customer Relations Officer

Barbara Boekemeyer Slater / Civil Industrial Engineer  
ID No. 12.747.160-6  
Appointed on April 1, 2018

## Operations Officer

Diego Moenne-Loccoz / Public Accountant-Auditor  
ID No. 12.708.537-4  
Appointed on January 1, 2018

## Corporate Affairs and Sustainability Manager

Alondra Leal Maldonado / Business Administrator  
ID No. 12.421.730-k  
Appointed on April 1, 2016

## Digital Transformation Manager

Cristian Alfredo Mezzano Frias / Engineer  
ID No. 13.257.722-6  
Appointed on January 6, 2020

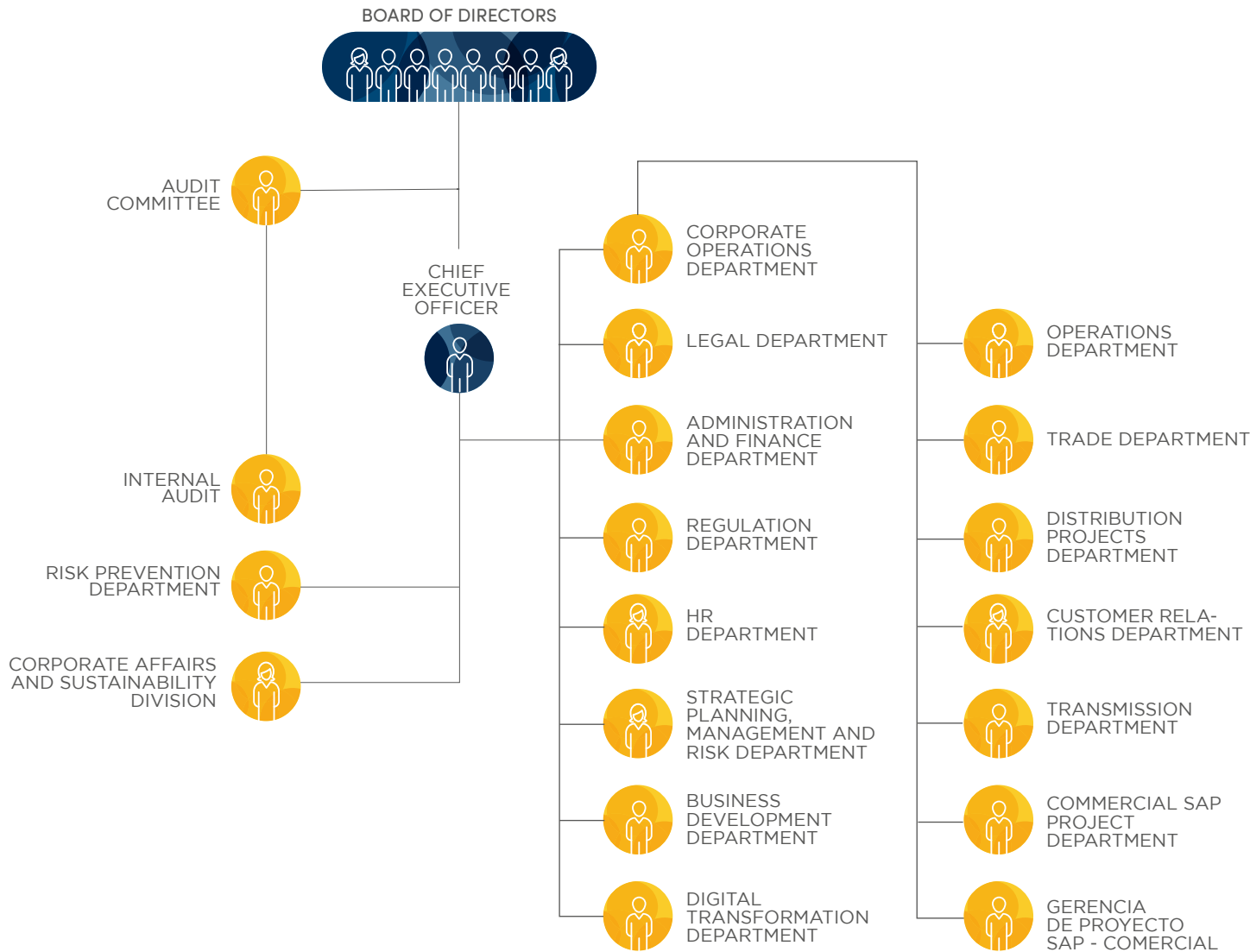
## Information Technology Manager

Sergio Sánchez Ríos / Computer Engineer  
ID No. 13.757.993-6  
Appointed on March 23, 2020

**Grupo Saesa's governance** is supported by the Executive Committee and 16 other committees that lead and supervise the strategic issues of our organization



# Organization Chart



**The Board of Directors, the Chief Executive Officer and the Executive Committee** perform the same positions and functions for the Company and its operating companies, except for **Línea de Transmisión Cabo Leones S.A. (Cabo Leones)**, whose Board of Directors is made up of managers from the parent company.





# Sustainability Approach and Our Contribution to the SDG\*

Sustainability is one of the fundamental values that guide Grupo Saesa's activities and is a central part of our business strategy. This means that our social, environmental, and economic performance must be responsible and fully aware of the current and future needs of the company's stakeholders.

In order to better respond to the major challenges facing the energy industry in the current context, in 2020 we launched a new sustainable development strategy based on three fundamental pillars: responsible operation, environmental friendliness, and energy expansion.



## RESPONSIBLE OPERATION

Together with our employees, suppliers, and contractors we supply energy to our customers every day, delivering a safe, modern, and quality service and ensuring regulatory compliance and environmental care.



## ENVIRONMENTAL FRIENDLINESS

We take care of our relationship with the community, promoting permanent dialogue and its potential labor development, developing sports, healthy living, and a safe and sustainable culture.



## ENERGY EXPANSION

We offer a service and sustainable alternatives to expand the use of electric power in our concession areas, accompanying the energy replacement and ensuring supply in remote areas.

SUSTAINABLE  
DEVELOPMENT  
GOALS



\* Sustainable Development Goals





# Grupo Saesa's Sustainability Strategy

- ▶ **Sustainable Alternatives and Energy Change**  
Cost-effective solutions/services/products to reduce the impact on the environment and slow down climate change.  
Transition from combustible energy sources to electricity.
- ▶ **Ongoing Supply to Off-Grid Areas**  
Energy access and continuous supply to off-grid communities.
- ▶ **Continuing Dialogue**  
We are neighbors
- ▶ **Local Labor Development**  
Technical Schools with Electricity Specialization Program 2.0  
Linemen Training Program
- ▶ **Fostering of Sports and Healthy life Style**  
Saesa League
- ▶ **Safe and Sustainable Culture**  
A la Escuela con Energía  
(To school with energy) Program  
Technical High Schools with Electricity Specialization



- ▶ **Corporate Governance Accountability**  
Transparency, ethics and compliance.  
Sustainability structure.
- ▶ **Caring for our Employees**  
Work environment.  
Professional development.  
Safety and health of our workforce.
- ▶ **Passion for our Customers**  
Disconnection and reconnection management.  
Response times.  
Process automation and digitalization to manage grids.  
Satisfaction.
- ▶ **Responsible with Suppliers and Contractors**  
Safety of our contractors and suppliers.
- ▶ **Regulatory Collaboration**  
Relationship with regulators and management of regulatory changes.  
Regulatory compliance.
- ▶ **Responsible Environmental Management**  
Environmental management and regulatory compliance.



# Sustainability Indicators

In our Sustainability Report 2019 we declared our adherence to seven Sustainable Development Goals (SDGs) as defined by the United Nations to eradicate poverty, protect the planet, and ensure prosperity for all by 2030.

<div>SDG</div> <div></div>	<div>Grupo Saesa's Contribution</div> <div>We contribute to the health and well-being of our communities.</div>	<div>Some figures or milestones 2020</div> <div><div><div>We donated 3 intubation units to the Puerto Montt Hospital.</div><div>We donate ventilators to the hospitals of Valdivia, Osorno and Puerto Montt.</div><div>We donated care, hygiene, and disinfection supplies.</div><div>We participated in the cleaning of public spaces.</div></div></div>
<div></div>	<div>We promote sustainable alternatives and guarantee electricity supply to the most remote areas of the country.</div>	<div>5,702 customers in off-grid areas.</div>
<div></div>	<div>We promote local hiring, providing safe working spaces and a culture of protection of our workers' rights.</div>	<div><div><div>2<sup>nd</sup> place in Great Place to Work ranking.</div><div>92% satisfaction in work environment survey.</div><div>0 fatalities from occupational accidents.</div><div>10 regions with local workforce.</div></div></div>





# Sustainability Indicators



We contribute to the development of the cities and communities of the future by replacing fuels by cleaner energy sources.

**265**  
**customers** in Coyhaique converted to electric heating based on heat pumps.

**5 GWh/year**  
**expected capacity** of the El Blanco photovoltaic power plant, which began construction in the Aysén region, the southernmost in the world.

IWe started the second stage of the project **“Electrifying share taxis in the south of Chile.”**



We responsibly manage the environmental impact by promoting an efficient and continuous operation.

**Start of construction for installation of batteries in Palena** that will be charged with surplus energy from the Río Azul hydroelectric power plant and will displace diesel generation.

**In-house** recycling campaign.



We are expanding a safe and sustainable culture, preparing for a future marked by increased electricity use.

**15**  
**charging stations** implemented.

Network of  
**1,125 KM**  
**already in operation** in four regions of the country.



Ongoing dialogue for the development of public interest projects and collaboration for the updating of regulations.

**0**  
**cases** of material conflict with indigenous peoples.

**Virtual meetings** with communities in the areas of influence of the projects.



# Stakeholders and Communication Channels

There is no doubt that the COVID-19 pandemic influenced both the way we communicate and the channels used to keep in touch with our stakeholders, which are all entities or individuals who may be significantly affected by our activities, products or services, or whose actions may impact our ability to successfully achieve our business objectives.



## STAKEHOLDER

## COMMUNICATION CHANNEL

- 01

Investors

▶

Virtual meetings of Executive Committee members with the company's Board of Directors.
- 02

Employees

▶

Work environment survey, mailing, inTV, inForma, Mundo Saesa and Facilita platforms, Yammer, WhatsApp, Saesa Salud App, virtual ceremonies, motivational videos
- 03

Customers

▶

Satisfaction Surveys, Mobile App, online customer service office, Call center, customer service offices, corporate social networks, newsletter, press releases, website, information and radio/TV interviews.
- 04

Contractors

▶

Annual extended meetings, quarterly meetings, visits to facilities, Safety Week for each zone, start and end of year milestones, safety awareness days, safety walks with senior officers, mailing, corporate social networks, work environment surveys and evaluation surveys.

## STAKEHOLDER

## COMMUNICATION CHANNEL

- 05

Regulator

▶

Meetings with the regulator within the framework of the different annual policy and regulatory processes.
- 06

Authorities

▶

Regular meetings and mailing plan.
- 07

Communities

▶

Programs targeting the community and early citizen participation in projects.
- 08

Media

▶

Press releases and conferences, interviews, mailing and corporate social networks.





## Awards and Accolades

Despite the difficulties brought by the pandemic, we were still able to stand out in different fields of action, which was demonstrated by some of the awards and accolades we received during the year.

Among them, we would like to highlight that, for the second consecutive year, we were ranked second nationally among the best companies to work for in Chile, according to the “Great Place to Work” ranking, a clear reflection of the joint work and willingness of all the members of our team to make our company a place that welcomes and supports the professional development of all those who participate in it in a great work environment.



**2<sup>nd</sup> place**

in Best Place to Work  
Ranking in Chile

**To be able to maintain this 2nd place** in such a complex year, in which several adjustments had to be made in the work environment due to the pandemic, undoubtedly has great merit. This achievement is the result of a change that has been forged over time, based on a unique and differentiating culture, which is sustained by a strong commitment to the quality of life of our employees.



**1<sup>o</sup> First place**

in Most Innovative **Companies**  
Ranking (Utility Sector)

**This award recognized the development of innovation and process optimization projects** that drive the creation of new products, business models and new skills in the organization, new products, business models and new skills in the organization.



**Recognition**

**for the work carried** out during  
the earthquake and tsunami of  
February 27, 2010

**The contribution of basic utility company employees** was recognized as part of the commemoration of the 10th anniversary of the earthquake and tsunami of February 27, 2010, the Governor of the Biobío Region, Sergio Giacaman, and the Regional Ministerial Secretary of Energy, Mauricio Henríquez. Frontel employees represented our company in the ceremony.





## Awards and Accolades



### “FGE Recognition of Commitment to Integrity 2020”

**Fundación Generación Empresarial (FGE) recognized Grupo Saesa by presenting it with the “Recognition of Commitment to Integrity 2020” award in the “Trajectory” category thanks to its systematic work in promoting a culture of integrity within the company since 2017.**

In its fourth year, more than 20,000 workers from 54 companies throughout Chile applied to the “Barometer of Business Values and Ethics,” a survey that measures the definition, experience, and communication of business values; knowledge of the tools for preventing unethical behavior; the presence of ethical conflicts and the commitment of the hierarchies to integrity within the institutions. In addition, each company submitted the accreditation guidelines requested for the process, such as the existence of codes of ethics, active whistleblower hotlines, among others.

In his acceptance speech, our CEO, Francisco Alliende, said that Grupo Saesa still has two important challenges. The first is to make progress in the areas of improvement that still exist within the company, and the second is to break the trend of mistrust in society by trying to make our way of “doing things right” permeate into the rest of the organizations.





# Transparency, Ethics and Compliance

At Grupo Saesa we have defined fundamental principles that should guide the conduct of our employees, namely, to act in accordance with laws and internal regulations, to behave in accordance with our culture of integrity and ethics, to show loyalty and honesty, and to respect all people, as described in Saesa's Integrity Standards.

This has taken form in a series of tools, company policies and training courses to promote good practices and transparency, among which we highlight the implementation of a Crime Prevention Model, Integrity Standards and a Compliance Program, the reference framework of which is composed of the ISO 19600 on Compliance Management Systems, ISO 31000 on Risk Management and ISO 37001 on Anti-Bribery Management Systems.

We reject corruption in all its forms, particularly bribery or kickbacks to public officials and among private individuals, as we believe that it represents a serious obstacle to the development of society, it damages the rule of law and distorts the free market. It also compromises the reputation of companies and exposes them to legal consequences. Consequently, one of our principles is to respect the rules for the proper operation of the market.

Grupo Saesa also rejects all instances of unfair competition and any act, fact or convention that contravenes applicable laws or the internal regulation as set forth in the Manual of Compliance with Free Competition Defense Regulations.

For Grupo Saesa it is very important to operate taking into account the conservation and protection of the environment, in order to advance towards the sustainable development of the company, the community and the environment.

We also promote integration and respect for people and human rights. We value diversity and reject and sanction discrimination, harassment (work and sexual) and inequitable situations. We are committed to ensuring that our employees are treated with respect and dignity in our workplaces, with equal opportunities for professional development.



## Corporate Values

<div></div> <div><b>Integrity</b> We do the right things</div> <div><ul style="list-style-type: none"><li>• We do business legally and ethically.</li><li>• We are consistent with what we say and what we do.</li><li>• We act consciously, assuming the consequences of our acts.</li></ul></div>	<div></div> <div><b>Transparency</b> We act truthfully and honestly</div> <div><ul style="list-style-type: none"><li>• We speak frankly and respectfully.</li><li>• We provide timely and honest feedback.</li><li>• We acknowledge our mistakes.</li></ul></div>	<div></div> <div><b>Safety</b> Non-negotiable</div> <div><ul style="list-style-type: none"><li>• The safety of our employees is paramount, over and above our activities and operations.</li><li>• We safeguard our safety and that of our co-workers.</li><li>• Safety is our life style.</li></ul></div>	<div></div> <div><b>Excellence</b> We do things impeccably</div> <div><ul style="list-style-type: none"><li>• We are highly professional, demanding, and rigorous.</li><li>• We do not improvise. We plan ahead and learn from our mistakes to improve.</li><li>• We foster continuous improvement and develop innovative solutions.</li></ul></div>	<div></div> <div><b>Customer focus</b> The center of our operations</div> <div><ul style="list-style-type: none"><li>• We listen to our customers so that we can understand their actual needs and meet them in a timely and satisfactory manner.</li><li>• We seek to build a long-term relationship of trust with our customers.</li><li>• We care about our internal clients (employees); hence, we strive to have the best work environment.</li></ul></div>	<div></div> <div><b>Efficiency</b> Key in our industry</div> <div><ul style="list-style-type: none"><li>• We make the best possible use of our resources and we optimize our costs.</li><li>• We value simplicity and autonomy. – We avoid red tape!</li><li>• We use time efficiently.</li></ul></div>	<div></div> <div><b>Sustainability</b> We are responsible with the future</div> <div><ul style="list-style-type: none"><li>• We act responsibly today, thinking about the future, taking care of our employees, the environment and the communities where we do business.</li><li>• We are aware of the major social role we play.</li><li>• We advocate for a leadership that helps us be a sustainable company.</li></ul></div>
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# Crime Prevention Model

In 2011, and in accordance with the guidelines of Law 20,393 on Criminal Liability of Legal Entities, we adopted and implemented a Crime Prevention Model in all Grupo Saesa companies. This model has obtained the corresponding certification since 2014 by the Feller Rate Rating Agency.

The subsequent amendments to Law 20,393, which expanded and included new offenses in the catalogue associated with corruption, prompted important updates to our Prevention Model and its related policies. These were carried out with the advice of expert consultants, who carried out a complete document review, interviewed the senior management and held a working group to address methodological aspects of risk management.

The pandemic made it necessary to revise the Model again to incorporate two new offenses that could eventually lead to the criminal liability of the company: Failure to comply with self-isolation or other preventive measures ordered by the health authority and fraudulently obtaining benefits from the unemployment fund.

The Model is enforced by a Crime Prevention Officer, who does not depend from management. This position has its own financial and material resources that are sufficient for carrying out duties; and reports, at least twice yearly, to the Board.

Additionally, since 2017 the Compliance department has monitored the management of the Crime Prevention Model and issued internal rules and procedures within the framework of the Compliance Program, to strengthen its correct execution.












In order to raise awareness of the Crime Prevention Model and the Compliance Program, we have conducted training sessions for our employees and contractors. In 2020 we had to adapt to the circumstances imposed by the pandemic, so most of the training

was conducted online, although we did manage to conduct a percentage of it in person. The topics covered include the concepts established in the Standards of Integrity, as well as the scope of Law 20,393.

Today we rely on a solid Crime Prevention Model that complies with each of the requirements imposed by law and ensures, through adequate controls to prevent illicit conduct, that integrity remains one of the foundations of our corporate culture. The strength of our model was recognized by Feller Rate Clasificadora de Riesgos Ltda. by granting it a two-year certification in June 2020.



## OFFENSES UNDER THE LAW ON THE CRIMINAL LIABILITY OF LEGAL ENTITIES

 ▶ Money laundering.	 ▶ Receiving of stolen property.	 ▶ Incompatible negotiation.
 ▶ Financing of terrorism.	 ▶ Corruption between private persons.	 ▶ Misappropriation.
 ▶ Bribery of local and/or foreign public officials.	 ▶ Disloyal administration.	 ▶ Water pollution.
 ▶ Fraudulent obtaining of unemployment fund benefits.	 ▶ Failure to comply with self-isolation or other preventive measures ordered by the health authority.	





# Standards of Integrity

Our Code of Ethics (or Standards of Integrity) applies to all directors, workers, and suppliers of Grupo Saesa without exception. Everyone has an obligation to understand and observe these rules.

Their purpose is to offer reasonable guarantees that our way of doing business is subject to strict ethical principles, transparency and integrity, complying with legal regulations and not seeking its own benefit through the relationship with our counterparts.

Our Integrity Standards were updated in December 2018 and published in January 2019. These regulations contain the expected behaviors in relation to the fulfillment of the company's mission, vision and values, and specify situations that could pose ethical dilemmas. However, given the great variety of decision-making opportunities, we always expect the highest performance and rely on the judicious conduct of each employee to ensure the proper conduct of Grupo Saesa's businesses.

**Director:**

A member of the Board of Directors of the Grupo Saesa.

**Employee:**

Any employee of the Company and its operating companies whether on a definite-term, indefinite-term, temporary fixed-term, work or project contract, including officers and directors.

**Supplier:**

Audit firms, law firms, distributors, contractors, consultants, their employees and other third parties engaged to supply products, materials or to provide services (whether professional or not) to the Company or to a third party on behalf of the latter, even on a temporary basis.

## CONTENTS OF OUR INTEGRITY STANDARDS

- **Health, safety and the environment.**
- **Internal and external relationships.**
- **Company assets.**
- **Use of social media.**
- **Internal controls**
- **Executive and financial officers.**
- **Conflicts of interest.**
- **Energy trading.**
- **Drug dependence.**
- **Market and free competition.**
- **Confidential Information.**
- **IT resources.**
- **Management and custody of company resources and customer information.**
- **Corporate opportunities.**
- **Gifts, meals and entertainment.**
- **Contributions to political activities.**
- **Enforcement of laws – General considerations.**



Bodies involved and functions

FUNCTION	 <div><b>INTEGRITY COMMITTEE</b> Sets the company’s integrity guidelines and ensures compliance with the Code of Ethics.</div>	 <div><b>ETHICS ADVISOR</b> Advises employees, contractors and their dependents on any doubt or problem of interpretation related to the legal precepts, policies and/or rules of Grupo Saesa.</div>	 <div><b>WHISTLEBLOWER CHANNEL</b> To raise concerns or file complaints about Standards of Integrity violations.</div>
MEMBERS	Legal Counsel & Compliance Officer, Director of Internal Audit and Crime Prevention Officer, Compliance Officer	Legal Counsel & Compliance Officer	Integrity Hotline +56 9 9644 8674  Integrity Platform <a href="http://www.integridadcorporativa.cl">www.integridadcorporativa.cl</a>



In order to channel inquiries or complaints about any violation to the rules or legislation, directors, employees or suppliers may choose to contact the members of the Integrity Committee, the Ethics Advisor, or use the hotline or website designated for this purpose. In any case, we assure absolute reserve and confidentiality and apply a non-retaliation policy.

Reports are subject to a thorough investigation and, depending on the results, sanctions may be imposed.

TOTAL REPORTS	2019	2020	VAR %
Reports received	7	5	-29%
Reports processed (closed)	7	5	-29%
Reports under investigation (open case, unresolved yet)	0	0	0%
Reports that do not apply	0	0	0%
Average response time (days)	15	15	0%




## Compliance

At Grupo Saesa, we go beyond compliance with rules and standards to create a culture of corporate integrity and ethics that guides the behavior and decision making of all members of the organization.


Created in 2017 under senior management guidelines, the Compliance department today leads a management system that seeks to be the engine of change for the implementation of good practices in all areas where the efficient treatment of risks requires it.

This department brings together a set of policies, procedures, actions and initiatives to comply with the laws and internal regulations in force, with a two-pillar approach.

### PILLARS OF COMPLIANCE PROGRAM

  
**INTERNAL  
LEADERSHIP**

- Strengthening the culture of values.
- Promotion of good corporate governance.
- Transparency and integrity.

  
**RISK  
ANALYSIS AND  
MANAGEMENT**

- Vulnerability detection.
- Definition of actions to be implemented to prevent and/or remedy them.

The Compliance Program has a comprehensive design that includes risk assessment, management, monitoring, reporting and annual training and dissemination plans. In addition, it is subject to a process of continuous improvement to reinforce its efficiency.


### Free Competition

In addition, the company’s guidelines and principles also include the respect of rules for proper market operation, forbidding any actions that may hinder, restrict, or hamper free competition.

Grupo Saesa categorically rejects all instances of unfair competition and any act, fact or convention that contravenes applicable laws or the internal regulation as set forth in the Manual of Compliance with Free Competition Defense Regulations published in 2017.

### GRUPO SAESA POLICIES RELATED TO TRANSPARENCY, ETHICS AND COMPLIANCE

- **Crime Prevention Policy Law 20,393.**
- **Standards of integrity.**
- **Grupo Saesa’ Compliance Program.**
- **Compliance Policy.**
- **Free Competition Policy.**
- **Antitrust Compliance Manual.**
- **Anti-corruption policy.**
- **Politically Exposed Person (PEP) Recruitment Policy.**
- **Conflict of Interest Policy.**
- **Manual on the Law regulating lobbying and management of private interests before regulators and government officials.**
- **Gifts, travel and entertainment policy.**
- **Community Contribution Policy.**
- **Information security policy.**
- **Personal data protection policy.**

 [To learn more about the above policies click here](#)



## Corporate Best Practices Dissemination Program:

In order to make our company’s principles, values and regulations known to all, we have developed a Corporate Best Practices Dissemination Program, through which we share recommendations so that our employees know how to act appropriately in the face of ethical dilemmas they may encounter in the performance of their duties.

Through the different channels available, such as institutional email, our intranet (Mundo Saesa), the Success Factors management platform (Facilita), the internal social network (Yammer) and What-App we deal with matters such as the following:



**Information** on the update of the Crime Prevention Model (e-mail and TV news).



**Recognition to outstanding workers** in living the value of integrity (e-mail plus congratulation letter filed in employee file).



**What to do when faced with unethical proposals** from a third party? (e-mail with infographics).



**Information** on reporting channels (e-mail with infographics).



**Recommendations for the correct use** of corporate and private social networks (TV capsule).



**Various mailings** on information security and personal data protection.



**Information** on the certification of the Crime Prevention Model (e-mail).



**Invitation** to annual conflict of interest disclosure process.



**Two rounds of the online ethical dilemmas game** tailored to the company (Fundación Generación Empresarial Platform).



**Invitation from the General Manager** to report conflicts of interest (audio of the General Manager circulated to all employees via WhatsApp).



Training on Ethics and Compliance in 2020

ONLINE TRAINING	# OF COURSES	PARTICIPANTS
Confidential Information	12	435
Sexual harassment in the workplace	2	49
Law on Personal Data Protection	1	31
Information security	1	35
4th Seminar on Free Competition	3	56
Personal Data Protection	3	82
Risks and criminal liability associated with the design, development and operation of power line, power plant and substation projects.	1	20
Legal warranty for products and services	2	91
Data protection and consumer protection	1	53

E-learning compliance

TRAINING	UNIVERSE	COMPLETED	RESPONSE RATE
Capsule on Bribery and Corruption	247	227	92%

E-learning on integrity standards and crime prevention model

TRAINING	# OF EMPLOYEES INVITED TO THE TRAINING	PASS	PASS %
E-learning on Standards of Integrity and law 20,393 (company employees)	1,457	1,433	98.30%

TRAINING	TARGET	# OF CONTRACTORS EVALUATED
E-learning on Standards of Integrity and law 20,393 (contractor staff)	>145	388

Training for contractor representatives on integrity standards and crime prevention model

TRAINING	# OF COURSES	PARTICIPANTS
Integrity Standards and Crime Prevention Model	3	142
Integrity and Compliance Culture at Grupo Saesa	1	77

Inductions

NAME OF INDUCTION COURSE	NUMBER	# OF PARTICIPANTS
Standards of Integrity and Law 20,393	2	40







# Economic Performance

In order to meet our goal of improving people's quality of life and contributing to the country's sustainable development by providing reliable and safe energy, we need to have a solid financial performance that will allow us to grow in a sustainable manner.

The economic value generated and distributed in 2019 and 2020 shows our direct contribution to society and the communities where we operate.



## Economic value generated and distributed

	2019 TH\$	2020 TH\$	VAR %
Income from business activities	571,374,874	601,056,128	5%
Financial income	1,161,374	395,145	-66%
Capital contribution <sup>1</sup>	-	-	-
Income from sale of property, plant and equipment	408,118	147,992,974	36,162%
Other non-operating income <sup>2</sup>	13,000,077	604,551	-95%
<b>Economic value generated</b>	<b>585,944,443</b>	<b>750,048,598</b>	<b>28%</b>

	2019 TH\$	2020 TH\$	VAR %
Operating costs <sup>3</sup>	435,116,767	466,169,048	7%
Employee benefit expense (Salaries)	41,202,944	42,461,917	3%
Other non-operating expenses <sup>4</sup>	16,950,291	29,011,345	71%
Tax expenses	13,722,733	49,105,194	258%
Financial costs	44,711,349	20,941,667	-53%
Investment and contribution to communities	300,791	439,000	45,9%
Dividends <sup>5</sup>	68,174,292	33,069,910	-51%
<b>Distributed economic value</b>	<b>620,603,167</b>	<b>640,758,081</b>	<b>3%</b>
<b>Retained economic value</b>	<b>-34,658,724</b>	<b>109,290,517</b>	<b>-415%</b>

<sup>1</sup>Capital increase, cash flow.

<sup>2</sup>Includes profit in related companies and foreign exchange gains.

<sup>3</sup>Includes operating costs and depreciation for the year.

<sup>4</sup>Income from units of adjustment.

<sup>5</sup>Corresponds to the dividends paid in each year.





# Proud to the core

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## 03 Section







## Demographics of our employees

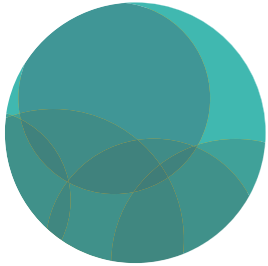


The main asset  
of Grupo Saesa is our employees.

**Their energy is Vital!**







## COVID-19 marked 2020 in practically all areas of life in the country and the world.

The lockdown meant that some areas of the economy were paralyzed and certain activities, such as work and studies, had to be carried out remotely. In this context, families and institutions needed to have a reliable and safe electricity supply, and as Grupo Saesa we made an enormous effort to continue fulfilling this commitment, which we did with conviction and energy.

In this sense, our employees were the protagonists of this challenging year, who faced the uncertainty caused by the pandemic to be in the field when necessary and had to reconcile the care and education of their children with remote work, while adapting to new technological tools. It is thanks to their commitment and dedication that we have been able to continue working towards our goal of improving people's lives. They are our main priority and that is why we make every effort to take care of them and minimize risks, also taking into account their emotional well-being and their development as professionals and as people.







# Health at the Top of the List

Health has always been a concern for Grupo Saesa, and safeguarding the physical and emotional health of all employees, including those who are part of our teams as contractors, was a central issue for the company in 2020. To this end, we implemented a series of measures aimed at the care of and support for people, which allowed us to end the year with no worker infected with COVID-19 during their work activities.



## COVID-19 Measures

Grupo Saesa took immediate decisions after the first cases of COVID-19 were diagnosed in Chile. Our main purpose was to take care of people and transmit peace of mind, which we did through actions such as informing about the measures to prevent contagion, the suspension of travel and supplier visits to our offices and the preventive quarantine for all those returning from abroad. We also launched a massive vaccination program against influenza, especially focused on critical areas.

During this period, the Executive Committee's decision to introduce remote work for the entire company is noteworthy. Only those who play a critical role for the continuity of the service due to their function (30% of the personnel) continued to work in person.

We also created a Crisis Committee, made up of leaders from different departments, to ensure business continuity and to safeguard the health of our employees and contractors. This committee was vital for efficient decision making and to anticipate potentially critical situations in the pandemic.

In order to have concrete data to help us better manage the health crisis imposed by COVID-19, we collected health information on the health status of more than 7,000 workers and their families to be able to detect employees in risk groups and thus anticipate possible infections. This work was carried out by the zone support teams, whose mission was to combine the support to work teams in this emergency with specific functions of personnel registration, dissemination of priority protocols, identification of specific needs in the event of contagion, among others.

At the same time, we began to work on medium- and long-term plans, with the following focuses:



**Creation of contingency committees** for follow-up and support of Covid-19 positive cases throughout the country.



**Definition and dissemination** of prevention protocols for the operation of field and office personnel.



**Development of the Saesa Salud App** (warning system, registration, and follow-up of cases).

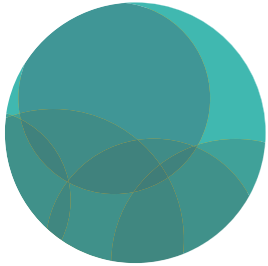


**Planning, preparation and adaptation of commercial and technical facilities**, for the operation of critical and permanent areas to prevent COVID-19 infections.



**Definition of safe, voluntary, and flexible return plans.**





**Strategic alliances were generated with occupational health agency Mutual de Seguridad, which is constantly providing training programs for workers and executives.**

As such, in 2020, our risk prevention officers received training focused on contagion prevention measures.

Meanwhile, we signed an agreement with the Chilean Chamber of Construction regarding sanitary protocols in the COVID-19 emergency.



Communication was a vital element in maintaining the connection in times when distance is necessary to avoid contagion. It kept us focused and aware of what we needed to do to take care of ourselves and do our jobs better. Throughout 2020 we sent information to the entire company, both to employees and contractors, to better face the challenges of the lockdown, such as tips for remote work and workshops to help parents cope with children's online classes.

We also enabled a space on our intranet, Mundo Saesa (Saesa World), where our employees could find all the data sent as part of the “Conéctate con tu salud y tu trabajo” (Connect with your health and your work) campaign, which aimed to help our employees find a balance between work and family. In this program we also created a decalogue of good practices in remote work.



In **2020**, more than

**35 videos**

**were produced by the internal communications unit** to keep both employees and contractors informed and motivated.





### The remote work experience

As for remote work, the pandemic has accelerated the adoption of an initiative that we had already been considering for some time. Our evaluation of this experience is positive, as we have been able to continue to do our work in an even more efficient way than we anticipated, especially thanks to the adoption of the Office 365 platform, as well as the commitment of our team, who took the training courses we conducted during the year on topics such as time management, “Office tools for remote work,” “Obligation to report on remote work,” “Induction to remote work,” “Information Security in times of remote work”, “Remote Work Law,” and “Telecommuting.” These courses, which totaled 4,141 hours, reached 100% of the company.

Given the success of this modality, we developed the “Nuevas Formas de Trabajo” (New Ways of Working) project, with the idea of creating a proposal to implement remote work on a permanent basis and thus seek more efficient and flexible alternatives that contribute to both the quality of life of people and the productivity of the company.


The purpose of this initiative was to identify areas for learning and opportunities for improvement through feedback and evaluation of the results. According to the analysis carried out, this plan can reach 61% of our workers and be applied partially, i.e., 1 to 3 days per week.


The main characteristics of this project are as follows:


- 

**Voluntary acceptance of the remote work modality** and continued implementation once the contingency has been overcome.
- 

**Perform self-assessment** of the physical condition standard required by occupational health agency Mutua de Seguridad.

- 

**Participate in training and induction to remote work** (including rights and duties of the remote worker, knowledge of technological tools, good practices, Mutua de Seguridad training, among others).
- 


**Use of the Planner platform**, available in Office for recording and tracking tasks.
- 

**Record relevant information** for this stage in a spreadsheet available in Teams.


REMOTE WORK PENETRATION		2020
Maximum % of employees working remotely		70%
% of employees working remotely (AS OF DECEMBER 31, 2020)		57%




Specific measures against COVID-19




VEHICLE DISINFECTION  
ARCHES




TEMPERATURE READING  
STATIONS




INSTALLATION OF PLEXIGLASS  
BARRIERS TO SERVE CUSTOMERS




TRAINING AND REORGANIZATION OF  
CLEANING STAFF




ENABLING OF IN-OFFICE  
BILL PAYMENT




MESSAGES TO ENCOURAGE THE USE OF  
HYGIENE ELEMENTS



INSTALLATION OF FOOTBATHS AND  
ALCOHOL GEL DISPENSERS



INSTALLATION OF MAGNETIC  
LOCKS



EXTERIOR ROOFS FOR CUSTOMER  
PROTECTION

Occupational Health and Safety

In our constant concern for our employees, one of our main motivations is to have work environments free of accidents and occupational diseases. This has resulted in our standing out in the industry for our historical performance of zero fatal accidents in our operations.

The development of prevention programs by business unit, department and contractor has allowed us to dedicate specific efforts to avoid serious and fatal accidents, but in 2020 it also helped us to optimize our response to COVID-19. Throughout the year, we were able to implement more than 140,000 prevention actions across the organization.

In 2020, given the pandemic, we had to reformulate our safety initiatives, which we did with agility and innovation. Our permanent campaigns and talks focused on the corporate safety of our employees are carried out remotely, in addition to the series of talks via Teams to share good practices in the surveillance and safety of people.







# Focus Areas 2020:



## COVID-19 PANDEMIC

**Creation of contingency committees** for follow-up and support of Covid-19 positive cases throughout the country.

**Definition and dissemination of prevention protocols** for the operation of field and office personnel.

**Development of the Saesa Salud App** (warning system, registration, and follow-up of cases).

**Planning, preparation and adaptation** of commercial and technical facilities, for the operation of critical and permanent areas to prevent COVID-19 infections.

**Definition of safe**, voluntary, and flexible return plans.

**Restricted access** to critical facilities.



## SAFETY CULTURE AT GRUPO SAESA

**On-site and virtual safety** induction sessions for company employees and contractor staff.

**Workshop to evaluate**, identify and raise awareness of critical areas.

**Programming**, execution and control of training plans to contractors

**Reinforcement of technical knowledge** to off-grid systems' personnel



## INNOVATION

**Reformulation of the Linemen Training Program syllabus**, launch of a virtual learning process and restructuring of the field training process

**Implementation of a cycle of online preventive** talks and transversal training throughout the company

**Evaluation and piloting of virtual platforms** that allow the development and continuation of the training process

**Incorporation of applications** to manage prevention activities from smartphones

**Evaluation of technologies** for the future distribution of prevention materials.

**Implementation of access control systems** with facial recognition, temperature reader, and face-mask alert.



## CORPORATE SAFETY (SURVEILLANCE)

**Ongoing campaigns** and lectures focusing on employee safety.

**Microsoft Teams chat sessions** to share best practices in surveillance and security of individuals.

**Preventive plan agreed upon** and sensitized with the electricity regulator and industry.

**High-level detection system** for the industry and Chile's southern zone.



## DISSEMINATION AND REACHING OUT

**Online and hands-on training** in training switchyards.

**Planning and implementation** of linemen training courses.

**Work on implementation** of new tools for field work.

**Training** for 11 Chiloé Islands project personnel.

**Technical validations** to give crews more autonomy and safety.

**Coaching** for field personnel on the implementation of Covid-19 protocols.



## COMMITMENT

**Work sessions** to review safety results, plans and zone department plans.

**'Pa la Foto' safety prevention campaign** that has become a milestone for safety in each zone.

**Extended one-day training** with Contractors' Risk Prevention Managers

**Preventive management programs** for transmission projects.

**Technical risk prevention** talks to third parties to avoid accidents with energized lines ("Mira Para Arriba" (Look up)).





## Emotional Well-being

We know that when we talk about health we have to look at people as whole beings. For this reason, we also carry out actions aimed at care and support, making psychological support available to our employees. In addition, we had an agenda of leisure activities to break the routine of teleworking, considering that those who worked from home also had to deal with the home-turned-school, plus office, plus personal space reality.

As part of the “Your Energy is Vital” program, we promote activities such as virtual breakfasts, forums on related topics and extended online meetings. Our employees were also able to share photos and videos of themselves at work, either from their homes or in the field. These images were then sent in messaging groups to maintain camaraderie and a sense of teamwork.

Leaders also sent videos with messages to their teams, sent self-care tips, created and shared databases of small businesses and delivery by area. Through the Happy Space platform, our employees were able to access wellness activities such as yoga, CrossFit, mindfulness exercises, while we promoted the Healthy Living App, where they could find nutritional advice and count their steps at home.

We provided free and confidential psychological care to workers and their families through more than 200 sessions at the Bio Alma comprehensive center. To enhance the role of leaders and remote work during the pandemic, we provided tools such as a team emotional management forum and weekly videos in which managers sent messages to their work teams.

A special role was played by the Zonal Support Teams, in charge of liaising with the work teams with specific functions of support and registration of personnel, dissemination of priority protocols, identification of specific needs in the event of contagion, among other functions.

## Prevention and Care of Workers

Beyond the COVID-19 contingency, at Grupo Saesa we are convinced that we must build a culture in which safety and self-care are ingrained habits in our employees, not only at work but also in their free time.

In charge of overseeing the safety management and technical training of our employees, our Risk Prevention Division works in four areas of action: Behavior model, management systems, technical skills, and assurance of safety results.

Our health and safety management model allows us to identify all the critical risks associated with the processes, with their respective control matrices, thus generating prevention plans and programs to mitigate and prevent the occurrence of incidents.

In turn, our MACRO operational risk control method focuses on understanding and accepting the possibility of human error, while establishing a systematic formula to identify, eliminate, mitigate, or contain shortcomings in the organization.



During 2020  
we held

**32**

safety induction  
courses with

**610**

participants and

**19,040**

man-hours (MH).



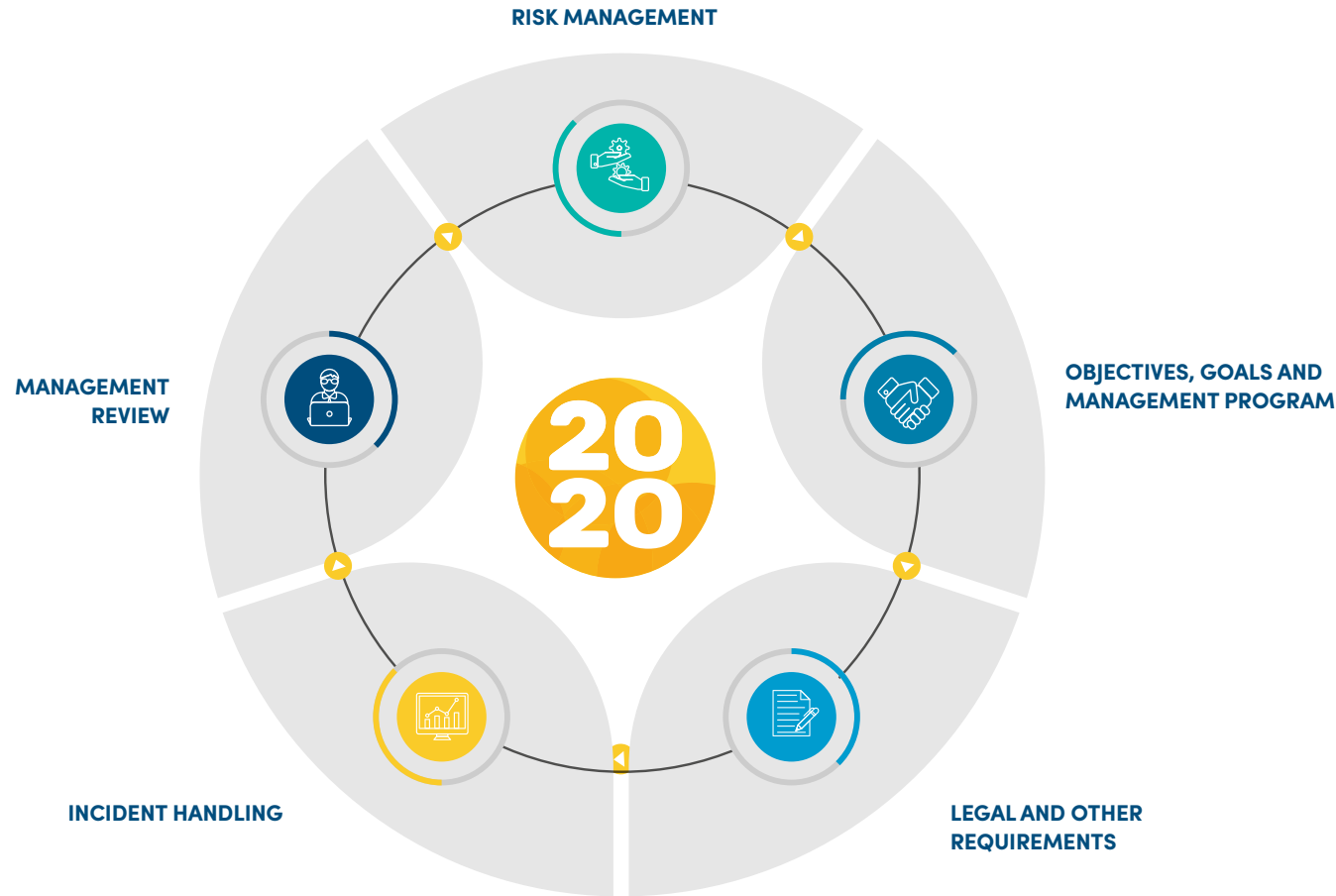




# MACRO Management System

## Operational Risk Control

### Assurance Methodology



We also have a Preventive Scheme for transmission projects, which is applied in the company's construction projects, especially in transmission. That scheme consists of a mechanism that includes an evaluation called MAE (strategic safety alignment model, per its Spanish acronym) that provides the main actions and requirements to be taken by construction companies; a guaranteed plan for the prevention of serious and fatal injuries in which fatality standards are provided; and finally, a risk committee, different from the site's joint committee, is established.



RIRDA (# of accidents with days away from work)

	RATE	% VAR. 2019-2020
2015	0.38	-
2016	0.42	9.3%
2017	0.58	38.3%
2018	0.45	-22.4%
2019	0.51	13.3%
2020	0.51	0%

LDR (# of accident days with lost time)

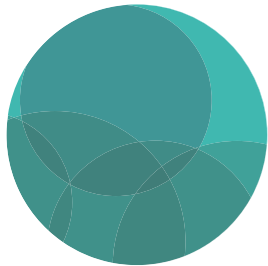
	RATE	% VAR. 2019-2020
2015	6.67	-
2016	8.62	29.2%
2017	13.23	53.5%
2018	7.26	-45.1%
2019	7.44	2.5%
2020	11.53	55%

Total days lost

	RATE	% VAR. 2019-2020
2015	313	-
2016	411	31.3%
2017	707	72.0%
2018	318	-55.0%
2019	614	93.1%
2020	1,127	84%

Total lost time accidents

	RATE	% VAR. 2019-2020
2015	18	-
2016	20	11.1%
2017	31	55%
2018	31	0%
2019	42	35.5%
2020	50	19%



**Zero**  
fatal accidents since  
2014.







# A Great Place to Work

It goes without saying that 2020 was a tough year. All of our teams were challenged, because apart from living through the pandemic like the rest of the country, we had to do so while still offering a continuous and quality service to the population. As Grupo Saesa, we are infinitely proud of the commitment of our employees, which allowed us to fulfill our mission.

This commitment is reflected in the excellent working environment that surrounds the day-to-day work within our organization, which we seek to maintain not only through benefits that are highly valued by our employees, but also through positive leadership, professional and personal development opportunities, optimal working conditions, among others, while we also measure the effectiveness of our initiatives.

Being able to combine during the year our vision of “improving people’s quality of life by providing reliable and safe energy” with the care for our employees, together with the support of the Board of Directors, our CEO and the leaders, helped us keep the spirits high in our organization.



## RECOGNIZE

### We used Facilita platform badges to recognize success factors:

We promote the recognition of behaviors associated with our 7 values and 4 behaviors by awarding a “Badge”. More than 1,100 awards were presented.

Team leaders visited critical areas to thank employees for their work, listen to them, and offer support.

We gave awards to 231 volunteers who supported PEC Comercial by giving 1,000 smile points (a day off), in addition to the record in their files.

## CELEBRATE

In the case of the International **Workers’ Day**, the Long Service Award and Lineman’s Day, we took advantage of technological tools and the collaboration of management to reach workers with positive emotions and surprise them in a different way.

We delivered 500 Gourmet Tea-time packages as a thank you to on-site workers.

We promote healthy habits: We distribute nuts every 15 days during the second half of the year to more than 60 workers in Dispatch Control Centers and Transmission Control Center critical areas, who work in the office.

## SUPPORT

To recognize those who worked with our customers, **we handed out more than 500 gourmet teatime packages** with a card thanking them for their work.

In addition, to single out their commitment, we distribute chocolates among our employees working in person and remotely.

**100 workers**  
were awarded 2.000 smile points  
(2 paid days off).



## Work Environment - GPTW

In 2020, our annual work environment survey showed 92% employee satisfaction with their jobs in the company, which was a 2-point increase over the previous year and the highest figure since we began measuring this variable. Organizational commitment, working conditions, and work environment were again the most valued dimensions. In the case of contractors, satisfaction reached 81%.



**For the second consecutive year, in 2020 we were ranked second nationally as the best company to work for in the category of more than 1,000 employees.** This award presented by the international consulting firm Great Place to Work (GPTW) fills us with pride and reaffirms the efforts we make every day in terms of quality of work life and its strong appreciation by our employees.

We are the 2nd  
Best Place to Work  
in Chile

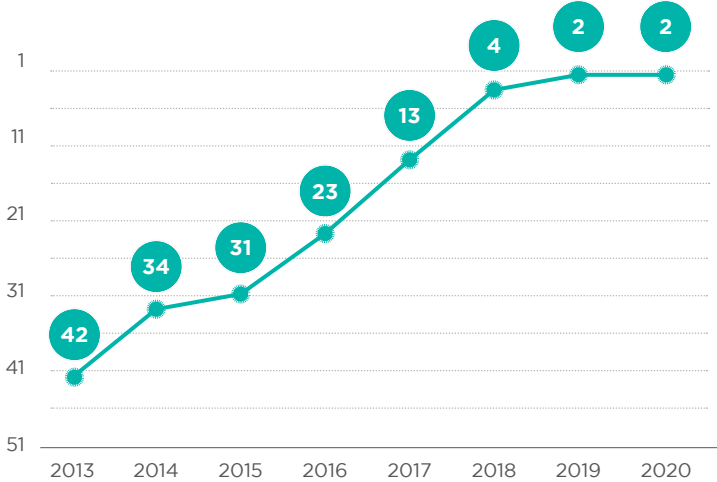
 **92%**  
employee satisfaction.



GPTW results

YEAR	WORK ENVIRONMENT	GPTW SAESA	AVERAGE OF 50 BEST COMPANIES
2018	88%	88%	82%
2019	90%	89%	83%
2020	92%	93%	86%

EVOLUTION OF GREAT PLACE TO WORK RANKING  
50 best companies to work for in Chile







## Leadership

Our team leaders played a fundamental role in achieving objectives and driving the business forward through their positive influence, motivation, coaching, training, and collaborative work with their teams. As Grupo Saesa we support them in these challenges, helping them to develop the necessary skills for this transformation process towards a more competitive, efficient, and sustainable company.

This development is carried out based on four behaviors that we seek to strengthen in their daily management to contribute to the development of the company, as described in the Leader's Role Declaration in Grupo Saesa, launched in June 2019.



### Leader's Role Pillars



**A LEADER COLLABORATES AND  
ENCOURAGES COLLABORATION**



**ALWAYS SEEKS EXCELLENCE**



**ACTS QUICKLY AND EFFICIENTLY**



**WORKS WITH A VIEW TO THE FUTURE**

During 2020 there were different instances where the role of leadership was clearly highlighted:

**Role of the Executive Committee:** The Executive Committee, composed of the CEO and other officers/managers, coordinated daily to address major issues related to the pandemic. Each officer/manager participated weekly in the video "Your Energy is Vital", in which a message of support and gratitude was delivered, in addition to visiting, as far as possible, those areas that had to remain in in-person work. The CEO participated in more than 24 extended meetings, personally visited critical areas that due to the work they carry out could not turn to remote work, and also participated in news breakfasts and zonal extended meetings.

**Leaders' breakfast meetings:** Meetings of 7 to 10 leaders from different areas and zones through the Teams platform to reflect, raise concerns, and share experiences.

**Crisis Committee:** Led by the Operational Development Officer, its objective is to ensure the care of our people, our customers, and to guarantee operational continuity. To meet that objective, leaders were appointed for the different departments so that they could manage concrete operational measures.

**Regular Meetings:** Leaders held virtual meetings to keep their teams aligned. Our company provides guidance through speeches on how to have efficient meetings, support in pro-work environment actions, reinforcement of tips for remote work and keep up the commitment of teams.

**Extended Meetings:** Virtual meetings to inform, align and be close to the workforce. At least 95% of the workforce was reached through these meetings.

**Leader's Role:** a WhatsApp group of leaders was created to be closer to each worker and to be able to quickly provide relevant information. Through this channel, thematic capsules were sent every Monday to motivate, empathize, recognize, and manage conflicts, among others. In addition, this group reinforces the various HR management initiatives.

**Performance Evaluation and Reward System (PRS):** The way we measure our performance has also changed. Feedback became virtual, so we provided some recommendations so that distance would not be an obstacle.



Management and Leadership Programs:

 **F0**

Its objective is to learn, train, self-evaluate and apply daily leadership practices for the effectiveness and well-being of work teams.

152

graduates with;

2,933

hours of training

 **F1**


Its purpose is to promote self-management in work situations through the incorporation of basic communication tools to increase the level of effectiveness at work.

38

graduates with;

489

hours of training

 **F2**

Its purpose is to develop a systemic view of situations that can be optimized in order to increase management capacity through the analysis of relevant projects of the Company and to incorporate basic communication tools to contribute to collaborative work.

22

graduates with;

432

hours of training

 **F3**

Its objective is to broaden the management and leadership capacity for action by exercising ways of critically examining one's own management experience, based on the Company's Leader Role model and the Performance Evaluation and Reward System (PRS).

12

graduates with;

138

hours of training

Professional Development

At Grupo Saesa we seek to develop the maximum potential of our people, valuing differences and ensuring that each of our employees can generate value for the company through their role. To do this we have a robust process of attracting, developing and retaining talent, a key variable to achieve being the option of preference for our workers.

Due to the special characteristics of 2020, we focused on attracting talent online through the different platforms we have, as well as on reformulating our development and retention programs to make them compatible with the work-from-home performance.

As part of the training processes within Grupo Saesa, during 2020 we also launched the Internal Trainers Program jointly with Fundación Sofofa, which aims to develop a group of internal mentors who will be responsible for transferring knowledge, technical and management skills in different topics that are relevant to the company. In the first group, 15 employees from the Distribution Projects, Regulation and Legal departments were trained, and in the following years this will be replicated to include more departments and more employees.





## Talent attraction

### TRAINEE PROGRAM



In 2020, we welcomed two graduates of **Mathematics and Engineering and Management Control Engineering**, who completed their 12-month internship in the Operational Development and Transmission departments, respectively.

### ONLINE LINEMEN TRAINING PROGRAM



During the year we carried out the recruitment and selection process for **Lineman Training Course # 13** corresponding to Edelayen, where we received 16 candidates to complete the training with online theoretical classes and hands-on training in the field.

### ONLINE INTERNSHIP



In October we began recruiting interns, which was done online through our **AIRA platform and university fairs through Zoom**. The 20 selected participants carried out their internships remotely.

In addition, within the internship program, we implemented a new program called “**Juntos más Conectados**” (More connected together), which allows interns to participate in talks and workshops led by our company’s employees. Several topics were addressed in order to support them in their integration into the working world and also to generate an approach to the company’s culture.

## Talent development and retention

### Elite Crews/Site Managers



Seeks to enhance the development of company and contractor crews through a mentoring program where we can improve their competencies in terms of soft and technical skills.

### New Ways of Working



In 2020 we launched the pilot of new ways of working, where we invited more than 100 workers to participate, who were trained from different platforms to opt for the remote work modality once we return to offices. This project will allow employees to work at least 2 days from home.

**5,1%**  
Annual rotation

**12%**  
percentage of  
new hires





## Training Programs



### Leaders

We provide specific tools and resources to contribute to capacity building to manage work situations and to act by leading our team.



### Safety culture inductions

Induction activity with a duration of 32 hours where topics such as behavioral change, risk prevention regulations, internal technical regulations, customer service, zonal context, critical focus are taught.



### Linemen training courses

Training program that seeks to train and qualify as linemen young people who do not have a trade, or do not have the means to pursue post-secondary studies a career and who show an interest in electricity.



### CRECE (Grow) program

Contributes to the academic training of the most outstanding employees by providing scholarships and/or financing for studies.



### Transmission

Activities designed for all transmission projects, both for construction and maintenance of lines and substations.



### Seminars

Participation in seminars is open to all company employees. This type of study program is requested in order to update knowledge and current market trends.



### Tree trimming

Knowledge and technical reinforcement to validate company and contractor personnel in this area.



### Specialized training

Courses on key technical tools to develop specialist positions within the company.




### Corporate inductions

Induction process for all new members of Grupo Saesa, which seeks to inspire new employees by reinforcing their sense of belonging to the company.




Training Programs




**Diploma projects**

Acquire practical project management skills needed in a dynamic environment to enable participants to successfully define, plan and execute the project in a standardized manner and with a common language.




**Generation**

Activities and technical courses designed for all generation projects.




**Customers**

To provide knowledge and practices for the competencies associated with customer service, more precisely those positions that are directly related to them, in order to provide tools to generate and deliver an excellent service.




**Supplier development plan co-financed by CORFO**

The supplier development plan aims to improve the business management and quality standards of the company's suppliers so that they can increase their level of competitiveness.



**Technical training courses**

In technical training, plans continue to be developed for different company processes such as specialization courses and technical validations, for example, of new software or machines that are being implemented.



**Supervisors role and responsibilities**

Developed to validate company and contractor personnel in the position of "Site Manager" in Distribution, Transmission, Generation or Tree Trimming.

**Total people trained**

**1,451**

Employees

**1,086**

Contractors

**2,547**

TOTAL

**Average hours of training**

**68,001**

Employees

**16,993**

Contractors

**84,994**

TOTAL

**Total training programs**





## Diversity and Inclusion

Following the publication of the Diversity and Inclusion Policy in December 2019, in 2020 our strategy focused on managing staff diversity on two lines of action:



- **People with disabilities**, in order to meet the requirements of Law 21,015, which establishes that companies with more than 100 employees are to ensure 1% of their headcount for people with disabilities.



- **Gender Equality**, in order to identify the existing gaps between men and women in the electricity industry and to develop best practices to help reduce them.

All Grupo Saesa employees are treated and evaluated on the basis of their personal and professional skills and abilities, in all decisions relating to the employment relationship that binds them to the company. In this sense, in the performance of their duties and in their daily behavior, each employee must respect corporate policies, procedures, protocols, and guidelines.

Grupo Saesa does not have a gender-based wage equality policy, but is based on the HAY methodology, whose consultant is Hay Group, and which was implemented in the company 12 years ago. This methodology defines salary parameters for hiring assigned to the level of the position, so that the person hired or promoted is placed in a salary scale, regardless of gender.

Any form of discrimination on political, religious, nationality, ethnic, racial, linguistic, gender and age grounds is prohibited. Discrimination based on personal characteristics, such as beliefs, sexual orientation, illness or disability, social status, position held and participation or not in union activities is also not tolerated.

## Best Practices

In our quest to identify the best practices that allow us to create a more diverse and inclusive culture, we hired the services of AHA Inclusion Consulting, specialists in designing and implementing strategies that have a cultural impact on organizations. In this way, we conducted the first Diversity and Inclusion survey in the company, which addressed a universe of people with disabilities, gender, origin, sexual diversity and age. We also made progress in raising awareness among employees, with 13 briefings on gender, disability, co-responsibility and reconciliation of personal, family and work life, which were attended by 60% of leaders and employees.

In the last organizational climate survey, 97% of employees stated that they believe that the company respects and values the diversity of people (gender, disability, nationality, among others) and 87% believe that the company provides job opportunities for people with disabilities.



# 97%

**of employees** believe that the company respects and values the diversity of its people.





In addition, in October 2020 we participated in the first Study of labor inclusion of people with disabilities, prepared by the National Disability Agency and consultant Avanza Inclusión, in which we obtained 81% in overall satisfaction, which places us in the category of Full Labor Inclusion.

### 2020 Diversity figures

#### Staff by Type of Contract

	WOMEN	MEN	TOTAL	%
OPEN-ENDED	276	1,123	1,399	90%
FIXED-TERM, FIRST CONTRACT	10	36	46	3%
FIXED-TERM, SECOND CONTRACT	18	80	98	6%
OTHER	2	11	13	1%
TOTAL 2020	306	1,250	1,556	

#### Staff by Employment Contract

	WOMEN	MEN	TOTAL	%
EMPLOYEES	276	1,123	1,399	90%
TEMPORARY STAFF	30	127	157	10%
TOTAL 2020	306	1,250	1,556	

#### Staff by Work Hours

	WOMEN	MEN	TOTAL	%
FULL TIME	306	1,250	1,556	100%
PART TIME	0	0	0	0%
TOTAL 2020	306	1,250	1,556	2,806

#### Number of Employees by Age Range

POSITION	UNDER 30 YEARS	BETWEEN 30 AND 40 YEARS	BETWEEN 41 AND 50 YEARS	BETWEEN 51 AND 60 YEARS	BETWEEN 61 AND 70 YEARS	OVER 70 YEARS	TOTAL
Gerentes	0	8	37	7	5	0	57
Trabajadores	248	708	395	124	23	1	1,499

#### Number of Employees by Age Range

POSITION	UNDER 3 YEARS	BETWEEN 3 AND 6 YEARS	BETWEEN 6 AND 9	BETWEEN 9 AND 12 YEARS	OVER 12 YEARS	TOTAL
Officers	8	12	6	4	27	57
Workers	610	290	167	85	347	1,499

#### Employees per Region (Chile)

REGION	TOTAL	%
Arica y Parinacota Region	0	0.00%
Tarapacá Region	66	4.24%
Antofagasta Region	46	2.96%
Atacama Region	2	0.13%
Coquimbo Region	6	0.39%
Valparaíso Region	0	0.00%
Metropolitan Region	37	2.38%
Libertador General Bernardo O'Higgins Region	0	0.00%
Maule Region	0	0.00%
Ñuble Region	0	0.00%
Biobío Region	114	7.33%
La Araucanía Region	183	11.76%
Los Ríos Region	84	5.40%
Los Lagos Region	921	59.19%
Aysén del General Carlos Ibáñez del Campo Region	97	6.23%
Magallanes y de la Antártica Chilena Region	0	0.00%
TOTAL 2020	1,556	





Number of Employees by Job Family

POSITION	MEN	WOMEN	TOTAL
Officers	50	7	57
Workers	1,200	299	1,499

Number of Employees by Citizenship

POSITION	CHILEAN NATIONALS	FOREIGN NATIONALS	TOTAL
Officers	55	2	57
Workers	1,474	25	1,499

TYPE OF POSITION	2020 STAFFING	AVERAGE SENIORITY	WOMEN %	MEN %
Administrative	136	7,2	64%	36%
Division Head	149	11,6	20%	80%
Officers	17	12.4	18%	82%
Department Head	125	10.6	17%	83%
Lineman	154	7.1	0%	100%
Professional	558	5.8	26%	74%
Manager	40	12.4	10%	90%
Supervisor	72	13.6	1%	99%
Technician	305	5.6	5%	95%

Number of Employees with Disabilities

CITIZENSHIP	WOMEN	MEN	TOTAL
Chilean	298	1,231	1,529
Venezuelan	4	7	11
Argentine	1	5	6
Colombian	2	2	4
Peruvian	1	2	3
Bolivian	0	1	1
Spanish	0	1	1
Dutch	0	1	1

POSITION	2020 STAFF
Men	5
Women	4
Total	9

13%  
PAY GAP  
(MEN VS. WOMEN)



# Labor Relations

At Grupo Saesa, unions are an asset for the company, as they are ambassadors of the values we hold as an organization.

There are six unions in our company, and 66% of the total workforce belongs to one of them.

YEAR	UNIONIZED	ACTIVE WORKFORCE	%	# OF UNIONS
2019	996	1,429	70%	6
2020	1,024	1,556	66%	6

### Collective bargaining agreements

YEAR	# OF COLLECTIVE BARGAINING AGREEMENTS	COVERED WORKFORCE
2020	EDELAYSEN Collective Bargaining Agreement	96
2020	FRONTEL Collective Bargaining Agreement	438
2020	Luz Osorno Collective Bargaining Agreement	40
2020	Saesa Collective Bargaining Agreement	645
2020	Sagesa Collective Bargaining Agreement	20
2020	Contrato Colectivo STS	154







# Innovation and Digital Transformation

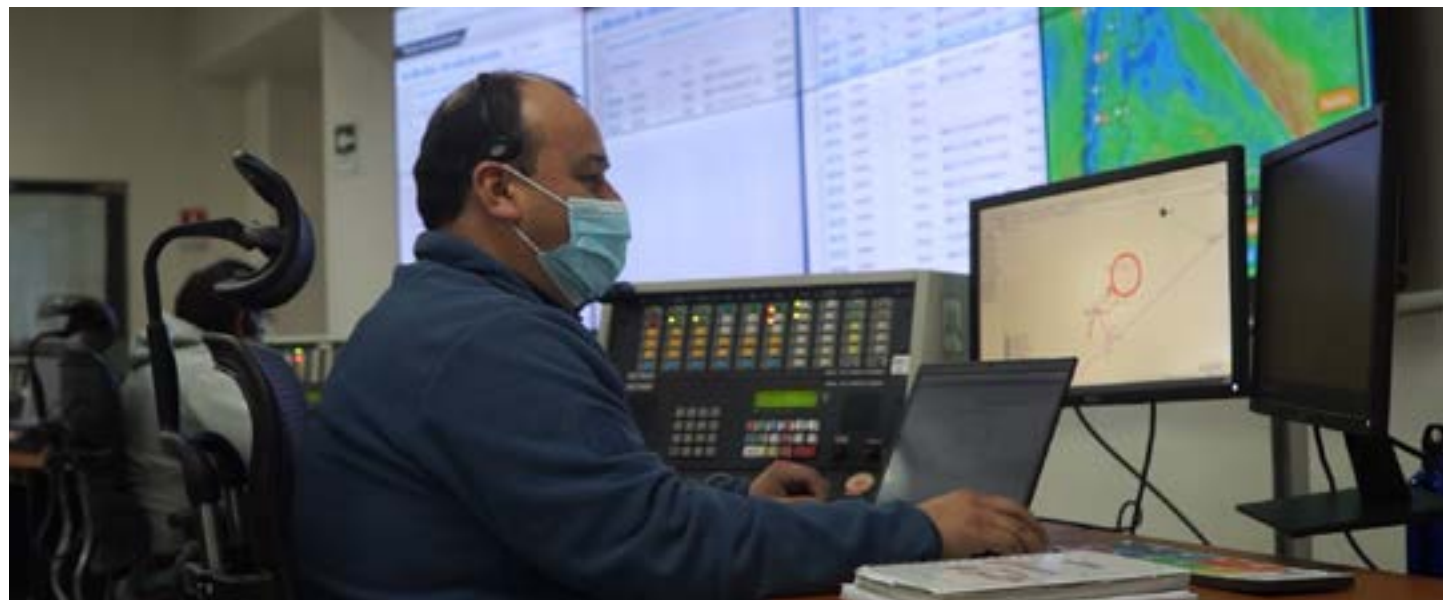
Our vision for 2022 is to have a disruptive change in all areas of our business and to achieve this goal, innovation is a fundamental element. Although in 2021 the original schedule of activities suffered some delays due to the pandemic, the contingency was incorporated into the planning, which made it possible to meet most of the goals we had set and even accelerate the implementation of certain programs aimed precisely at providing solutions to some of the difficulties that became evident with the health crisis.

An example of this was the rapid adoption of computer tools for remote work, which leads to more efficient and flexible work performance alternatives in favor of productivity and quality of life. In this sense Office 365 and its functionalities, for example Teams, Planner, among others, were a great platform that allowed us to continue doing our work even more efficiently than we thought and thus be able to turn the place where we were into an office.

Another project in which progress was made in 2020 was the Digitalization of Substations, led by the Transmission Department. Thanks to this project, equipment connection is now performed through fiber optics, which doubles the information transfer routes and increases the reliability of the signals, which ultimately translates into better service to customers.

In the Distribution Control Center Modernization Plan, progress was made in the areas of automation, security, process digitalization, operational analysis, brigade training and technology in the operation. All as part of the new management model of the distribution division. We have also established the monitoring of strategic indicators, such as flexibility of operations and scheduled disconnection. In addition, daily reporting of the behavior of the electric distribution system was created.

The Information Technology Department launched a transformation plan called ConTlgo, which aims to develop as a strategic partner for the rest of the company, thus helping to co-create a digital Grupo Saesa. This plan has four main objectives:







## ConTlgo Transformation Plan



### REINFORCING OUR VALUE WITH THE BUSINESS

**Define a value created** for each initiative, being able to demonstrate that all implemented technologies add value.

**Conceive a development structure** focused on collaborators and customers.

**Strengthen** the focus on analytics and operational excellence.

**Enable the transformation** we are facing.



### IMPROVE THE LEVEL OF SERVICE

**IT architecture**, which will define a technological standard that will allow us to better connect with our internal ecosystem and with an external ecosystem that will be increasingly challenging.

**Improve our project delivery**, strengthening our technologies and delivery times.

**Strengthen incident and problem management**, enabling us to generate an information technology (IT) service model that allows us to respond to the service levels that the company needs.



### STRENGTHENING THE RELATIONSHIP WITH THE BUSINESS

**Define a relationship governance** focused on a set of meetings, where the role of the Business Partner or business leader will be strengthened. This will be a relevant stakeholder in order to manage demand and understand initiatives, develop business cases and approve future projects.



### EMPOWER THE IT TEAM

**Strengthen the information technologies** concept.

**Acquire new knowledge** of the digital world.

**Strengthen** our internal talents.

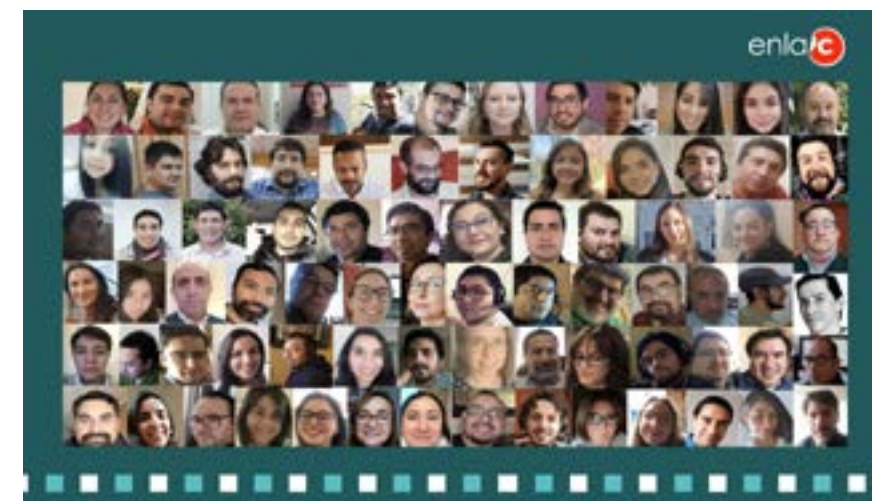
It is also necessary to highlight the EnlaC Project, which was responsible for the adoption of the new Customer Management System, which relied on SAP and was launched on December 1, 2020. This new platform makes it possible to integrate all of a company's data, including customer information and customer billing.

EnlaC brings enormous benefits, one of the main advantages of this new system is that it supports the creation of customers focused on the individual or company, instead of being focused on the property that consumes the electricity. In other words, what matters is the consumer to whom one or several properties are associated. In this way, it is possible to get to know the user better, understand their behavior and needs, and thus be better prepared

to provide them with a better service. Therefore, EnlaC is fundamental to materialize the new Grupo Saesa approach, where management is customer-centered, allowing us to achieve our mission of improving people's quality of life.

Other functionalities of this platform include better information management, greater security and easier billing processes, among others.

The EnlaC Project required a great deal of effort and dedication on the part of the team in charge of its implementation. They were months of work that yielded optimal results, since the go-live of the new Customer Management System was carried out as planned and customers were able to continue to be served by the Front, Back Office and Contact Center teams without any inconvenience. The success of this initiative was possible thanks to the training and coordination work of the EnlaC team, the instructors, end users and all those who were prepared to receive the tools in their different processes in an agile and collaborative manner.







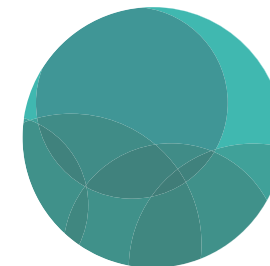
Grupo Saesa recognizes information security as a strategic task and one of the key business requirements, assuming this commitment at the management level of the company. Saesa's Information Security Policy Group establishes Information Security as a competitive factor, thus generating confidence in its customers and suppliers, but also as a critical responsibility in the social context, as a consequence of its role as operator of critical infrastructures and manager of large volumes of personal data of customers and its employees.

At Grupo Saesa, information security governance involves the existence of an Information Security Committee, which meets quarterly. This committee is made up of executives from different business units plus the Chief Information Security Officer (CISO). Among the committee's functions is the mission to discuss and issue opinions on the guidelines for the strategic planning of Information Security. The committee is also responsible for assessing the Company's cybersecurity risks, thus monitoring scenarios of serious incidents that could compromise the operational continuity of power supply. The Information Security Committee receives from the CISO a quarterly report of activities and incidents with the indicators that affect the organization.

Finally, during 2020, Grupo Saesa developed the PLuz Information Security Project. Its objective is to establish a baseline of internal information security regulations, involving Cybersecurity and Personal Data Protection. The Information Security Governance management framework for the company is the ISO 27001 standard, but we also adhere to the NERC CIP Cybersecurity standard, which is specially designed and defined for the electricity sector, and covers aspects of cybersecurity and physical security, with emphasis on the information contained in substations and control centers.

Our progress in 2020 was as follows:

- **Development and updating of policies, procedures and instructions associated to Information Security and particularly Cybersecurity and Data Privacy.**
- **Internal and external communication and awareness-building plan.**
- **Training plan for critical departments.**
- **Creation of Information Security Committee.**
- **In July, the Cybersecurity Operation Center (CSOC) was implemented through a certified external provider.**
- **Phishing exercises and launch of learning capsules on Information Security and Personal Data Protection.**
- **Cybersecurity Strategic Plan, (2021- 2023) based on the following lines of action:**
  - **Focus on maturity.**
  - **Focus on awareness and training of our employees and contractors.**
  - **Focus on resilience.**
  - **Focus on cybersecurity exercises.**



**In December 2020, a mutual cooperation agreement was established between Grupo Saesa and the Chilean Government's CSIRT**  
(Security Incident Response Team) to support issues such as monitoring, awareness, vulnerability research and gap mitigation.







# Supporting our Contractors

At Grupo Saesa, contractor staff are part of our teams and for this reason we also watch over their care and development. Internal compliance, ethics and safety standards also apply to them, both to safeguard their well-being and health, as well as to ensure the proper functioning of the organization.

The Contract and Contractor Control (ACC) department is responsible for directing and managing the Administration of the Single Register of Contractors and the Register of Service Providers (RUOS), in addition to the administrative control of service provision contracts, in order to ensure compliance with the policies, rules, and regulations on the subject.

## Contractor Management

Our work model involves assigning a portfolio of contractor companies to the Contractor Management analysts - or ACC agents - who are responsible for maintaining adequate communication and coordination with each of them.

Main responsibilities of Contractor Management Analysts



**To be the single communication channel** to address the administrative questions and queries of the companies assigned.



**To ensure that contractors and subcontractors comply** with labor and social security obligations.



**Lead the certification process** of contractor staff.



**To advise contractors** on labor matters to avoid and minimize risks in this area.

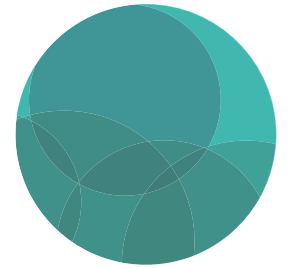


**To coordinate internally with other department** to address the queries and concerns of its portfolio that fall outside its scope of action.

After a 2019 dedicated to diagnosis, stage 2 of the Contractors 2.0 Plan began in 2020, aimed at Planning, which is carried out on the basis of six lines of action: Management, Culture, Safety, Internal Processes, Technology and Contracts.

The training area also had to adapt to the new conditions imposed by the pandemic: the first online linemen training course was carried out and a new structure and way of working in the field of technical training was created.

In addition, the first virtual meeting with contractor companies was held, with 170 online participants. The purpose of the conference was to inform the contractor companies about the main corporate and operational challenges of Grupo Saesa, its situation in the face of the pandemic and the current regulatory changes. It was also a good opportunity for discussion and clarification of concerns.



**170 Online participants in the first virtual extended meeting for contractor companies.**







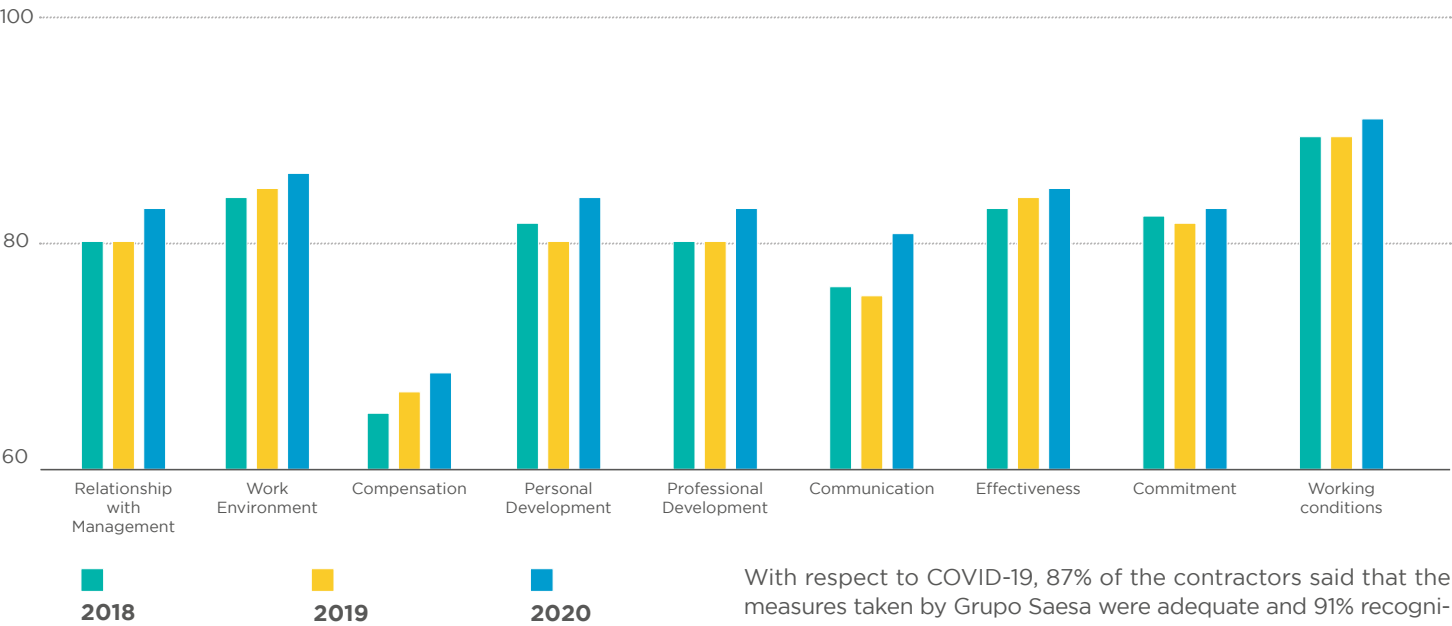
## Prevention and Care in the Context of the COVID-19 Pandemic

The coronavirus can infect everyone equally, and that is why at Grupo Saesa we decided that contractor staff should participate in all the plans and programs developed to deal with the new scenario generated by the pandemic. Among other things, they were included in the “Your Energy is Vital” campaign, received PPE to be protected from possible contagion, and used the Saesa-Salud application to monitor possible symptoms.

In 2020 we also conducted a work environment survey for contractors to find out how they feel about the company, as well as to identify strengths and opportunities for improvement. The survey showed that 89% of contractors reported feeling happy in their work, in addition to rising results in all indicators compared to recent years.

### Result by dimensions

(2020 v/s previous years)



With respect to COVID-19, 87% of the contractors said that the measures taken by Grupo Saesa were adequate and 91% recognized that safety and security measures were reinforced during the pandemic.





# Always Beside Our Customers

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## 04 Section







# Customer Demographics



**921,560**  
Total customers

**5,099**  
Customers in  
off-grid areas

**1,100**  
Monthly self-readings  
(average)

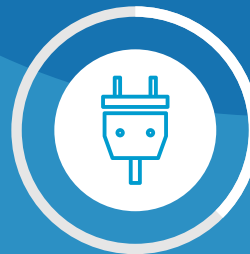
**74.9%**  
Of customers were given  
an estimated time of  
restoration upon outages

**15,700**  
Smart meters  
installed

**35,475,217**  
tweets

**107,375**  
Customers signed up  
for e-bill

**24%**  
Power-dependent  
customer increase



**Customers are our driving force  
and the center of our culture.**





# Operational Continuity in the Face of the Health Crisis

Our work is based on a deep commitment to our customers, embodied in Grupo Saesa's Mission, which is to develop a truly customer-centered culture by 2022. In this context, at the beginning of 2020 we decided that the priority of all our actions and initiatives for the year would be the user, and it was with this strong conviction that we took the necessary measures to face the great challenge posed by the COVID-19 health crisis.

We know that electricity supply is an essential basic service for everyone, and that is why, once the pandemic was declared, we set out to fulfill our promise to continue offering a reliable and quality supply both for the families who began to see how work and learning activities were transferred to their homes, and for the key and critical sectors of our country, such as health care, the food supply chain, industrial activities, and communications.

After the onset of the health crisis, we decided to prioritize remote work, which meant stopping work in the field for a few weeks until protocols were in place to guarantee the health of our employees. At the end of April 2020, we were able to resume our operational work, such as maintenance and improvement of the grid and commercial processes based on meter readings and distribution of bills. We also reopened our main offices to provide face-to-face service to those customers who, for various reasons, do not have access to digital media.

It was a challenge that required great effort and energy from everyone at Grupo Saesa, but we proved that we were up to our mission, aware of the role our work plays in improving people's quality of life, and thus contribute to the country's sustainable development.

## Service Indicators

In spite of all the difficulties imposed by COVID-19, during 2020 our service presented a notable improvement in its quality indexes, with a marked decrease in power outages and their duration. This is the result of the investment plan implemented during the last few years, focused on facilities and technology, aimed at the complete modernization of the distribution grids.

In 2020, we had to adapt our field work to ensure the health of our workers in the event of possible contagion, providing face-masks and other protective measures for everyone. However, the pandemic did not stop the various investments and construction works, which have been complemented with specific and focused plans for preventive maintenance and tree trimming, new backup plants and automation of the distribution grid. All this, together with our focus on operational efficiency, allowed us to close the year with a downward trend in overall service quality indicators.

At the end of 2020, 89% of the municipalities were in compliance with the SAIDI-SAIFI standard (115 out of a total of 129), which co-

responds to 95% of the customers. This result marks a milestone for Grupo Saesa, as at the end of 2019 we had 75 municipalities up to standard compared to only 21 in 2018.



**In 2020, we met the standard required by the regulator**  
in 115 of the 129 municipalities in which we operate.

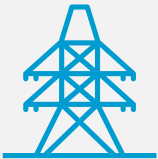
The quality-of-service evaluation is measured by the regulator based on the average number of hours in which a customer remains without supply during a year for causes attributable to the corresponding distribution company. For example, in the case of Frontel, this item decreased from 51 to 16 hours between 2017 and 2020. In turn, in the case of Saesa the decline was from 19 to 10 hours in the same period.

The investments and technologies implemented have enabled Grupo Saesa to respond more quickly to power outages and to manage facilities remotely, thus having a more flexible system. By the end of 2020, the grid exceeded 60,000 kilometers, with more than 5,700 automatic switching devices, equivalent to 54% of the total, which is expected to be completed by mid-2022.





In addition, in April 2020, the indicator of operational flexibility of the distribution grid was created, which accounts for the grid's margin based on the number of customers recovered before 30 minutes in outages affecting more than 1,000 customers. By August 2019 we were able to reconnect 55% of affected customers in less than half an hour and in 2020 we achieved the reconnection of 83% of affected customers in that time.



83%

Of customers affected by an outage are reconnected in less than half an hour.

In 2020 we also continued to develop the Outage Information Management (FIM) project, which seeks to keep customers informed about the estimated reconnection time of their electric service in the event of a massive supply failure. We reached a coverage of 74.9% of customers with information available in face-to-face and digital customer service channels on supply restoration.

Transmission losses showed a slight increase in 2020 compared to the previous year. Zonal transmission losses are calculated by the National Electricity Coordinator, which performs a balance between the national transmission busbars (trunk nodes) and the primary substation busbars, involving the withdrawals of unregulated and regulated customers. It is called zonal transmission because its function is to supply regulated customers, even if these lines and substations can be used by unregulated customers and means of generation.

Loss Index (%)

COMPANY/DATE	DEC-19	DEC-20	DIFFERENCE
Saesa	7.39%	7.73%	0.34%
Luz Osorno	10.50%	6.77%	-3.73%
Saesa + Luz Osorno	7.60%	7.67%	0.07%
Frontel	13.90%	14.68%	0.77%
Edelaysen	9.16%	9.59%	0.43%
Grupo	9.48%	9.82%	0,34%

Losses (GWh)

GRUPO	DEC-19	DEC-20	DIFFERENCE (GWH)
	389.6	414,5	24.8

Power-Dependent Customer Management

A special case is that of power-dependent customers. Grupo Saesa, as well as the other distribution companies in the country, executed a “Collaboration and Innovation Agreement for Vulnerable Groups” with the Ministry of Energy during 2018. This agreement involves keeping an updated list of the customer base declared and validated as power-dependent by the Superintendence of Electricity and Fuels (SEC). These customers are typified as a critical segment for priority service and some special privileges.

The process of managing the power-dependent customers receives support from the technical, commercial and Customer Service departments, with the aim of prioritizing the requests of these customers, especially when they are affected by power failures or interruptions. In this case, a backup generator is assigned to them, which is installed at the customer's home with all security measures as soon as possible, day or night.



**Power-dependence is a condition of certain people who, because of health problems, must remain connected for much or most of the day to medical equipment that runs on electricity.**  
Their health and quality of life depend largely on the proper functioning of their medical equipment.

If the supply is affected by a scheduled outage, the Critical Customer Manager contacts the person registered as the customer's guardian to inform him/her of the situation and ensure that the necessary precautions are taken. A discount is also applied to your monthly billing, equivalent to the consumption of your medical equipment, and services categorized as power-dependent are not subject to disconnection for unpaid bills.

In 2020, the number of Grupo Saesa's power-dependent customers grew by 24%, and 1,744 hours of training were provided to different sectors of the company related to the management of this group.

TOTAL POWER-DEPENDENT CUSTOMERS IN 2019	TOTAL POWER-DEPENDENT CUSTOMERS IN 2020	2019-2020 VARIATION (%)
566	729	24%





## Measures to Ensure Continuity of Services

To ensure the continuity of our service to customers in the context of the health crisis, Grupo Saesa had to organize a new way of working to protect the operation of the Distribution Control Centers and the Operations Crews, which are key to the operational continuity of the distribution grid.

This was reflected in the implementation of safety protocols and the development of a new form of coordination for our workers, which allowed us to have complete peace of mind that we were watching over people's health.

From the beginning of the pandemic, Grupo Saesa took the precautions recommended by the health authority, learning to perform non-critical functions by working remotely. Similarly, for those critical functions that required face-to-face work by the Distribution Control Centers (DCC) and the Operations Crews, totally separate work groups were defined to reduce the possibility of contagion.

Both the North DCC, in Temuco, and the South DCC, in Osorno, were separated into four groups each, for which individual work spaces were set up to ensure that in the event of any contagion only 25% of any of the Distribution Control Centers could be affected, which would allow operational continuity of the remaining 75%. In some cases, these groups even operated remotely (with the shift leader in a different space from the dispatchers) to minimize face-to-face interaction, which has meant breaking down certain paradigms in the operation.

Likewise, everything associated with the programming of interventions began to be carried out remotely, thus ensuring the care of our programming team and at the same time leaving a contingency group available in case of contagion in the control centers.

## Customer Support Measures

Aware of the difficult situation that the pandemic has generated in Chilean families, we initiated actions for the benefit of our customers. We were pioneers in recognizing the difficulties associated with the payment of supply under an adverse scenario, so we proactively and voluntarily eliminated disconnections due to non-payment, which was later established by the so-called Law on Utilities.



### CUSTOMER RESIDENTIAL SEGMENTATION

**We designed a strategy** for residential customers based on quantitative and qualitative variables that explain their needs and consumption characteristics in order to develop differentiated value propositions aimed at specific groups that ultimately improve the customer experience.



### WINTER RATE ADJUSTMENTS:

As a way to alleviate the extra financial from the increase in consumption due to the circumstances, as **Grupo Saesa we decided to suspend the winter limit** surcharge to all customers who were validly registered as vulnerable in 2020, and in a cross-cutting manner we considered skipping this charge in June.



### ENABLING OF BUSINESS PLATFORMS FOR MASS EXECUTION OF PAYMENT AGREEMENTS:

**We automate interactions** to generate payment agreements and thus provide facilities to all customers, not just the vulnerable ones.

Most of the agreements offer installment terms with no adjustments or interest, and the new commercial platforms for mass subscription of these agreements have the capacity to process up to 100 times the number of agreements that were subscribed prior to the pandemic.



### BENEFITS AND PROGRAMS FOR VULNERABLE AND RESIDENTIAL CUSTOMERS, AND SMES:

**We called on our residential customers to register** their most vulnerable families in order to obtain different benefits. The background information requested was minimal, and 99% of the applications were approved, equivalent to more than 49,000 customers.

We also created platforms for SMEs to receive requests that allow us to contact them and thus meet their needs by providing specific solutions. Nearly 580 SMEs applied for this benefit.





Among all the measures taken, there was one in particular that proved to be somewhat resisted by the community. This is the provisional billing, implemented due to the risk of contagion for our collaborators to perform activities in the field during the first months of the pandemic, which included both meter reading and the distribution of bills.

Provisional billing is regulated by the second paragraph of article 129 of the Regulations to the General Law of Electric Services, which states: "If for any reason not attributable to the concession holder the corresponding reading cannot be taken, the concession holder shall leave a record of this situation in a visible place in the property and may provisionally bill, for up to two consecutive periods, an amount equivalent to the average amount billed in the previous six months..."

In this case, the previous months coincided with the summer season, when electricity consumption generally decreases, so the provisional billing was relatively low. However, since those amounts did not correspond to actual consumption, there were differences with customers who had to pay average amounts even when they were not consuming, as in the case of commerce, offices, schools, etc., as well as with residential customers, who saw their bills increase once the reading was resumed and the difference in consumption had to be adjusted, which in many cases was higher than usual due to the lockdown.

This resulted in a significant cost in terms of customer satisfaction and the actions we had to take to respond both to their queries and to the complaints that some of them made to the authorities.

## Self-Reading of Meters

Today, reading and sharing have been declared strategic and a priority. To optimize this process, in 2020 we started with the self-reading of meters initiative. This process consists of the creation of a web application that enables residential customers to periodically enter their own readings. Customers must register on this platform, which sends a monthly reminder (via SMS) that enables the customer to enter the register read on their meter according to the reading schedule.

This mitigates the risk of not being able to go out to take readings due to force majeure or for the safety of our staff, as happened with the onset of the pandemic and also with the social upheaval of 2019.



**During 2020, an average  
of 1,100 self-reads were  
received monthly**  
and 4,500 customers have been  
enrolled in the system.



# Proximity and Constant Communication

Communication is one of the pillars on which the relationship with our customers is based. Accordingly, an important part of our efforts in 2020 focused on finding ways to keep them informed, as well as listening to them and finding solutions to their possible difficulties.

Despite the challenges presented by the year due to the health crisis caused by COVID-19, in 2020 we were able to make progress on initiatives such as the Inspira Project, which seeks to consolidate a new customer strategy based on Experience and Satisfaction.

This project is focused on residential segments and aims to build a truly competitive value proposition, absolutely focused on customers and their needs, through the in-person and virtual experience. We were also able to continue with initiatives related to the safety of our customers, such as the “Mira para Arriba” (Look Up) Program, in which customers are made aware of the risks involved in performing work or activities near our energized facilities through free training sessions.

MIRA PARA ARRIBA PROGRAM	
Training courses completed	40
Total participants	1,304
Total training hours	40
Institutions and segments trained	Education, Construction, Agriculture, Forestry, and suppliers of construction materials (hardware store).







## Office Network, Support and Communication

We know that communication must be fluid, of quality and easy to access, so in 2020 we worked to provide our customers with many more facilities, both in person and through the Internet.

Although COVID-19 led to a nationwide focus on online communication, at Grupo Saesa we understand that not everyone has access to the Internet, so we reopened our 89 in-person customer service offices as soon as we could guarantee the safety of both our employees and our customers.

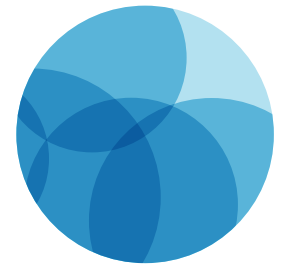
With regard to online customer service, we have opened new channels to provide our customers with different options to keep them informed.

**WhatsApp:** We enabled a WhatsApp channel for customer service, considerably improving the experience through a simple and easy-to-use tool.

**Digital Bill:** Subscriptions to the digital bill exceeded 109,000 customers by the end of 2020, bringing us closer to them in a more agile, affordable, and sustainable way.

**Social Media:** We have strengthened our Social Media channels such as Facebook and Twitter accounts in our 3 distribution companies Saesa, Frontel and Edelayesen, with improvements in the level of services, campaigns, and responses through technical response tickets. The use of social networks has also allowed us to carry out marketing and communications campaigns, and to implement a new tracking and monitoring system.

**Other Customer Service Channels:** Specific customer service channels were set up to facilitate service to vulnerable customers and SMEs and to make service more available. In addition, channels such as the 800 line and Call Back service were implemented in the Contact Center. Accordingly, nearly 6,000 customers calls were processed and up to 75% of the incoming complaints were treated. We also managed our e-mail service in a timely manner, going from an average of 1,600 pending e-mails per day in June to 10 pending e-mails in December.



**Nearly 71,000 and  
15,000 customers**  
follow us on Twitter and Facebook,  
respectively.







## Communication Measures during the COVID-19 Pandemic

In a year marked by the pandemic, communications was one of the focal points for external audiences.

We set ourselves the objective of surveying and approaching customers who had some kind of difficulty, both in the service they received and in their payment possibilities, and we aimed to improve the quality of our communication on certain measures that were not so well received by customers, such as provisional billing.

In this context, some of our actions were:



**Customer Traceability:** The various customer interactions with more than one contact with the company were kept on record so that the key stages that should be recorded regarding the solution could be identified. This also implies having clear and accurate information at the time the user requests it, based on a record of information from the business system with a 360-degree view of the customer.



**Customer Service Model:** the relationship of customers with the different contact channels was surveyed and classified in different categories.

**Easing of critical processes:** Around 20 customer service processes were made more flexible, using digital tools such as web-based payment agreements and contact centers. We also reduced the documentation required to manage various procedures, a measure that mainly benefited vulnerable customers and SMEs. The collection process has also been eased up by implementing authorizations and permits for the issuance of Credit Notes. In addition, the opening hours of some offices have been modified to meet the existing needs.

With respect to provisional billing, we made efforts to explain to our customers what it consisted of and we set up an exclusive contact channel, with personalized attention, to resolve billing concerns and analyze each customer's particular situation. We also explained how the monthly bill should be read and provided detailed information on what each charge consisted of.





## Satisfaction and Quality of Service

Since 2018, we have carried out a structured and important Implementation Plan related to advances in compliance with the new Quality of Service requirements for customers, which are associated with improvements in commercial and supply attributes, all of which were addressed in a strategic and coordinated manner.

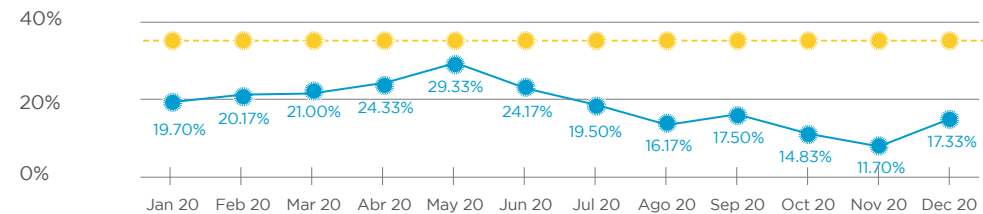
The investments made, the work plans implemented and the commitment of our teams have borne fruit, as evidenced by the results obtained in the service quality indicators mentioned above. That said, we are aware that in 2020 our customers' perception of the company's management was not always what we expected.

The provisional billing initiative was not understood by all users, many of whom felt that they were being subjected to rate hikes and unjustified charges. This situation affected the Customer Satisfaction and Experience indicators, which showed a significant drop during the second half of 2020.

In fact, the Customer Satisfaction indicator closed the year with 17.33%, compared to a target of 34%, measured as a rolling average of the last 6 months. As for the Customer Experience indicator, the 6-month moving value closed at 46.7%, compared to the 52% target.

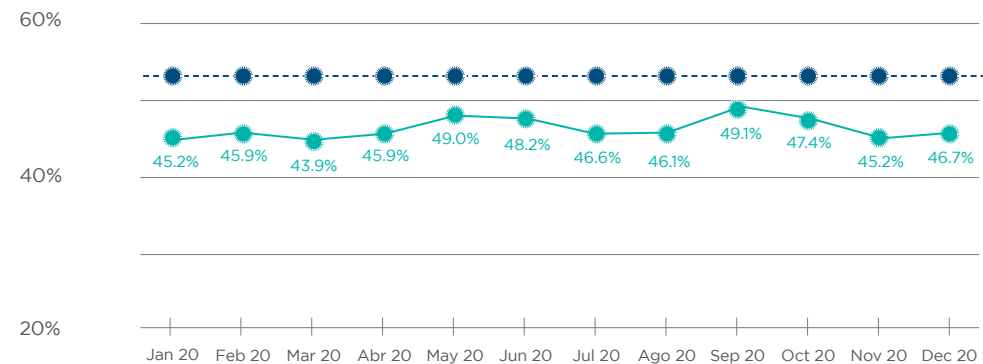
### Customer satisfaction indicator

● Customer Satisfaction Rolling Average  
● Target



### Customer experience indicator

● Customer Experience Rolling Average  
● Target





# Innovation and Digital Transformation

At Grupo Saesa we know that in order to meet our strategic objectives we must grow in terms of technology, innovation and digital transformation, incorporating these lines of action in our daily operations.

Even if our main focus was on the COVID-19 pandemic, in 2020 we were able to advance in the development and implementation of projects relevant to the future of our company. The Digital Transformation program began its “Foundational” stage, which seeks to implement the first devices, procedures, and definitions associated with data governance. This, under the understanding that data is the fundamental basis to prepare our company to face the challenges that the national electricity market presents and that our customers require.

The ultimate goal of the program is to transform Grupo Saesa into a data-driven company, that is, one that makes decisions based on data and its analytical interpretation, in order to improve the relationship with our customers and consumers and thus offer them quality services and attention in all areas.

To this end, we established the strategy to be followed, which we disaggregated into four lines of action:

- **Implementation of the Data Governance Office.**
- **Definition of the Technological Architecture.**
- **Definition of the Management of Change and Communication Strategy.**
- **Implementation of a value case for the company in a prototype mode.**

Each of these lines of action has associated activities, which when completed will give way to the “Scaling up” stage, where the first platforms, methodologies, and protocols will be implemented to accelerate our processes and allow them to use quality and timely information.

In the Foundational stage, we managed the implementation of a platform that will incorporate advanced analytics to its processes, mainly in the technical operation of the company, although it will later be expanded to commercial and customer relationship activities. This platform, called Alice, will be operational in April 2021, and will mark a milestone in our transformation process by incorporating prescriptive and predictive analytics. This implies that we will have to reinforce our skills and incorporate new competencies and knowledge.

To prepare for our Digital Transformation, we conducted a benchmarking process of different areas worldwide. We saw the experience of Europe and the United States, we learned about what exists in the market of suppliers and consultants, as well as the processes of other industries, such as retail, banking and telecommunications, looking for the best practices to define the strategy of Grupo Saesa.

Technology has also helped us to optimize our customer service systems. The TERESA platform, which automates simulation and customer service in the event of outages, generates a series of telephone calls that, when answered by users, gather information that makes it possible to prioritize resources and reduce information times. Then, when a case is closed, a call is generated to the customers to ask them if they are still without power, thus avoiding the need for the crews to travel long distances to verify if the customers have already recovered their power supply.

On the other hand, we also completed the implementation of the Regulatory Processes Platform (which for the moment responds to regular commercial processes of the authority), which allows us to unify and consolidate the information from the different areas of the company to respond to the regulatory requirements of the authority. In this way, we are sending the information associated with the categorization of our customers, billing and presentations, among others.

During 2020 we also continued to make progress with the implementation of the electronic bill, which closed the year with 107,375 customers enrolled.

ELECTRONIC BILL		
	2019	2020
Enrolled Customers	80,481	107,375
e-bills issued	417,760	741,867







## Smart Metering

Smart meters proved useful during the pandemic, specifically when face-to-face reading had to be suspended. This situation did not affect the households where smart meter technology was in place, since the data of their actual readings are sent remotely, thus enabling the actual monthly billing process to be carried out without errors and without having to resort to averages.

At the same time, we began the process of implementing the Management and Quality System that requires distribution companies to install smart metering in distribution transformers, with a compliance deadline of 100% by 2025. To achieve this goal, in 2020 we began the search for a technological solution that allows communication with equipment installed in rural sectors and areas with difficult access. Our current solution is radiofrequency, and at year-end we had 52 antennas installed, providing smart meter coverage to 27 locations.

As defined by the authorities, the changeover to smart meters is mandatory for distribution companies, but voluntary for customers. For this reason, and as a way of advancing technological development, at Grupo Saesa we decided that implementation and replacement would be free of charge for users.

In addition, we have set up a virtual office where each customer with a smart meter can review their consumption by month, week, day and even hour. This way customers can better understand and manage their energy consumption.



**By the end of 2020 there were  
15,700 smart meters installed,**

of which 12,427 were already incorporated into the automatic billing process. Meanwhile, 1,300 smart meters have already been installed in distribution transformers, through which information on the quality of service of the system is provided.

### How does smart metering work?







# Innovative, Sustainable Solutions

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## 05 Section







## | New Solutions and New Business

At Grupo Saesa, sustainability guides each of our activities. We are certain that our development and future as a company must go hand in hand with care for the environment, and for this reason we are committed to seeking renewable energy sources, as well as promoting agreements and new technologies that allow us to be friendlier to the planet.

Among the latter we can count the use of vegetable oil instead of mineral oil for distribution transformers, whose technical-economic evaluation was carried out in the last quarter of 2019 and was implemented in the 2020 bidding process. The Corporate Operations Department, together with the Administration and Finance Department, also defined for this 3-year bidding process the incorporation and awarding of vegetable oil-fueled equipment.

The goal of this process is to incorporate 25% of the total number of transformers by the year 2021, with a staggered increase leading to the incorporation of 40% of the total number of transformers by the end of the contract period.

This technology will allow obtaining a 25% overpower for equipment of equal power with mineral oil, maintaining the useful life of the equipment and making its use profitable in areas of higher seasonal demand (e.g., beach towns and resorts) and rural electrification projects. This technology generates many benefits from an environmental point of view due to its rapid degradation, non-toxicity, higher viscosity, and easy handling, among other factors.



# 25%

**Of all our distribution transformers operating with vegetable oil is the goal to be achieved in the first stage.**





Another project in this area is the underground laying of rural medium voltage lines led by the Project Management Department, which seeks to minimize the impact of this type of grids on the environment and the communities and thus improve people's lives, in addition to complying with the requirements of the technical standards.

The latter has allowed us to greatly improve the quality of service standards for our customers, but our great challenge is to move towards international standards. For example, we have as a reference what the energy policy establishes, which tells us that the SAIDI by 2035 will be 4 hours and by 2050 it will be only 1 hour. In order to meet this goal, we need to change the standards of construction of distribution grids and in this sense the underground laying of rural networks will be our main tool in the investment plans for the coming years.

For this project we have developed a plan that includes five stages that are key to achieving this challenge:

**Pilot Projects**

**Stakeholder Management**

**Regulatory Standards**

**Cost Analysis**

**Supplier Development**

During 2020 we kicked off the first phase, which has the goal of executing 11 pilot projects, with a total of approximately 50 km. The first of these pilots is already under execution in the municipality of Cunco, and consisted of laying 1,100 meters of cable underground at a depth of 1.2 meters, covering it with a layer of sand and the corresponding protective tapes.



**CUNCO PILOT PROJECT**  
**Project:** Technical Standard on Distribution  
**Location:** Cunco Municipality  
**Budget:** MM\$90  
**Conductor:** 240 mm2/25KV single pole  
**Segment:** 1,100 m  
**Commissioning:** December 2020

Regarding agreements and new business, on August 1, 2020, an electricity supply contract was signed with the Likana generation company for a maximum of 600,000 MWh/year, whose energy originates from photovoltaic renewable energy sources and concentrated solar power from its Cerro Dominador plant, which will supply renewable energy to Grupo Saesa's portfolio of unregulated customers.

Additionally, our company has been renewing its electricity supply contracts with ENEL Generación by NCRE (Non-Conventional Renewable Energy), which is certified through the international I-REC certificate. In 2020, Grupo Saesa renewed over 140,000 MWh/year to unregulated customers with this certification.





# Integration of Renewable Energies into the Energy Mix

During 2020, the management of energy solutions and clean energy generation was focused on the development of projects aimed at reducing greenhouse gas emissions through the efficient use of renewable energy sources, the potential of which is substantial in Chile.



**El Blanco Photovoltaic Project:** 3 MW photovoltaic renewable energy generation project located in the Aysén Region. This is the southernmost project in the world with this type of technology, whose construction was awarded via EPC (Engineering, procurement, and construction) to the company Solcor. Operation is planned to start in the fourth quarter of 2021. Expected generation is 5 GWh/year, equivalent to the energy consumed to heat 2,500 households in a year. It will support Coyhaique’s decontamination plan by replacing firewood heating with electric equipment based on highly efficient heat pumps.

Photovoltaic Energy

3 MW  
Capacity

5 GWh/year  
Expected Generation

**Expansion of Alto Baguales Wind Farm:** Photovoltaic renewable energy project for generation up to 15 MW in the Aysén Region. Operation is planned to start in 2023. Expected generation is 46 GWh/year, equivalent to the energy consumed to heat 23,000 households during a year. It will support Coyhaique’s decontamination plan by replacing firewood heating with electric equipment based on highly efficient heat pumps. Basic engineering and other studies were prepared to submit the corresponding EIS to the authority.

Wind Power

15 MW  
Capacity

46 GWh/year  
Expected Generation

**Armazones y Paranal Photovoltaic Project:** 9 MW photovoltaic renewable energy generation project located in the Antofagasta Region. This project will produce up to 26 GWh/year to supply with clean energy the consumption of the Paranal astronomical complex of the European Southern Observatories where the telescopes on Paranal Hill and the future Extra Large Telescope on Armazones Hill are located. Basic engineering was developed and construction was awarded through a bidding process under the EPC modality. Commissioning is planned for the first quarter of 2022.

Photovoltaic Energy

9 MW  
Capacity

26 GWh/year  
Expected Generation

**Rehabilitation of Los Maquis Run-of-River Mini-Hydropower Plant:** The project consists of rehabilitating an old 380 kW run-of-river hydropower plant that operated in the 1980s in the town of Puerto Guadal, whose facilities were in disuse and semi-dismantled, reusing part of the old facilities and installing new facilities in previously intervened areas. The new plant will have two 500 kW units that will supply up to 50% of the maximum annual demand of the General Carrera Grid, generating up to 6 GWh/year, which will replace an important part of the generation that to date is based on fossil fuels.

Hydroelectric Power

Two units of  
500 MW  
Capacity

6 GWh/year  
Expected Generation





## Energy Efficiency and Use of Renewable Energies

Although we know that the incorporation of renewable energies is pivotal to achieving cleaner and more sustainable processes, at Grupo Saesa we wanted to diversify our efforts to reduce our carbon footprint.

As a result, during 2020, the construction of civil and electrical works began in Palena for the installation of batteries based on the use of iron flow technology of 300 kW and 1,200 kWh capacity. These will be charged with surplus power from the Rio Azul hydroelectric plant and will displace diesel generation.

Meanwhile, in Coyhaique, a project continued to be developed to reduce pollution caused by wood heating. This factor causes the city to exceed the allowable standard by four times, according to the 2019 IQAir AirVisual Ranking, which measures air quality. The pilot plan, launched in 2018 and in which Edelayesen, local and national authorities, suppliers and customers of Coyhaique participate, consists of the use of Split Inverter technology in different types of homes, which according to the data obtained so far achieve

thermal results similar to firewood. This technology not only frees up the space formerly used to store firewood both inside and outside the dwelling but also eliminates intra-household pollution and is safer, among other advantages.

In response to this, Grupo Saesa created a special electricity rate for heating that will allow customers to balance the costs of electricity with the costs of heating with firewood. For its part, the government took Grupo Saesa's experience and developed public policies that made it possible to extend special heating rates to other cities.

At the end of December, the total number of customers converted to electric heating based on heat pumps is 265 (more than 484,000 kWh/year), of which 201 were connected in 2020. It is important to note that during 2020 the technology was implemented in 102 social housing units in the "Las Chacras" community.

**201****New customers**

joined the electric heating conversion plan in Coyhaique in 2020.



Construction of civil and electrical works for installation of batteries in Palena



# Affordable Energy for Communities in Remote Areas

Improving the quality of life of households in remote areas is part of our objective to deliver reliable and safe energy, while contributing to the sustainable development of the country. In this sense, at Grupo Saesa we support the State's initiative to provide energy supply to all families in rural and isolated areas, providing our experience in the implementation, operation and maintenance of these systems.

Grupo Saesa currently has 18 off-grid systems, of which 12 are in the Chiloé archipelago, in addition to Santa María Island (Coronel), Ayacara (Chaitén), Cisnes (Cisnes), Amengual La Tapera (Lago Verde), Villa O'Higgins (O'Higgins) and Las Huichas Island (Aysén).

The Cisnes and Villa O'Higgins generation systems do not have a non-conventional renewable energy component, but do have hydroelectric energy, which is considered renewable.

It is projected that by 2021 Grupo Saesa will have 27 off-grid systems in operation. Renewable energies are contemplated in the design of the new power plants, as well as in the projects under execution to bring Electricity Supply for 11 islands of the Chiloé Archipelago up to standard and to enabling Electricity Supply for Queullín Island, in addition to the incorporation of these energies in Santa María Island.



18

off-grid  
systems

5.702

customers

10.153

MWh  
of energy  
generated

9.629

MWh  
energy injected  
into distribution

8.291

of energy sold

Isla Tac's off-grid generation system contains wind, solar and diesel generation plants, with a renewable energy penetration of 54%. This showed a slightly reduction in 2020 due to the increase in electricity demand driven by the effects of the pandemic.

#	*ISOLATED SYSTEM	REGION	MUNICIPALITY	GENERATED ENERGY DIESEL-FUELED (KWH)	RENEWABLE GENERATED ENERGY (KWH)	TOTAL ENERGY GENERATED (KWH)	INJECTION INTO DX GRID (KWH)	SALE TO DX (KWH)	ACTIVE CUSTOMERS
1	Alao	Los Lagos	Quinchao	90,205	0	90,205	79,005	68,439	140
2	Apiao	Los Lagos	Quinchao	173,749	0	173,749	140,064	114,160	221
3	Ayacara	Los Lagos	Chaitén	900,922	0	900,922	864,060	639,103	615
4	Caguach	Los Lagos	Quinchao	115,722	0	115,722	100,836	66,318	144
5	Cailín	Los Lagos	Quellón	169,012	0	169,012	130,503	87,112	159
6	Chaulinec	Los Lagos	Quinchao	152,623	0	152,623	128,688	93,630	190
7	Coldita	Los Lagos	Quellón	64,388	0	64,388	49,499	27,180	89
8	Laitec	Los Lagos	Quellón	159,112	0	159,112	136,939	108,977	154
9	Llingua	Los Lagos	Quinchao	115,455	0	115,455	91,644	64,067	120
10	Meulín	Los Lagos	Quinchao	180,145	0	180,145	159,479	118,742	248
11	Quehui	Los Lagos	Castro	293,341	0	293,341	267,264	213,729	341
12	Quenac	Los Lagos	Quinchao	149,728	0	149,728	130,452	87,691	160
13	Tac	Los Lagos	Quemchi	60,715	70,305	131,020	118,439	76,015	110
14	Santa María	Biobío	Coronel	1,194,821	0	1,194,821	1,134,145	969,161	577
15	Cisnes	Aysén	Cisnes	1,544,302	2,280,051	3,824,353	3,777,142	3,415,777	1,326
16	Amengual la Tapera	Aysén	Lago verde	508,329	0	508,329	493,079	440,321	198
17	Villa O'Higgins	Aysén	O'Higgins	621,833	412,775	1,034,608	962,397	909,466	331
18	Las Huichas	Aysén	Aysén	895,321	0	895,321	865,725	791,571	479
Total				7,389,723	2,763,131	10,152,854	9,629,360	8,291,459	5,702





# Committed to Our Environment

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## 06 Section







# Community Development and Outreach

The creation of long-term bonds of trust with the communities that are directly or indirectly related to our projects is a central objective of Grupo Saesa. Our company is governed by a Guide of Good Practices in Community Participation and Outreach, which was launched in 2019 and encourages the active participation of all neighbors in the communities surrounding the projects.

The lockdown and other measures to avoid COVID-19 contagion meant that we were unable to carry out face-to-face activities for most of the year, which were resumed in September 2020. In the meantime, we resorted to other alternatives that allowed us to continue building bonds of trust with the communities. Thus, in April 2020, we began to implement meetings through virtual platforms, which allowed people in the projects' areas of influence to stay informed.

In the case of communities without internet access, we used consultants who visited them in person to provide them with information. These consultants are also in charge of conducting the "Stakeholder Survey Studies", which are part of the environmental impact reports for each project. This mapping allows us to know the territories in order to prepare Socialization Plans that have a local perspective and a regional identity, and that guide our work of linking with the communities.

In developing our socialization plans, we always maintain the position of engaging with neighbors through an early approach, even prior to the environmental assessment. With informative meetings, working groups and feasibility studies for a collective venture or infrastructure for community development, we hope to improve the proximity to the communities near the projects and minimize the possibilities of opposition to them.

In the event that the communities have specific requests, these must be submitted through a letter, which we study and respond within a period not exceeding 10 working days.

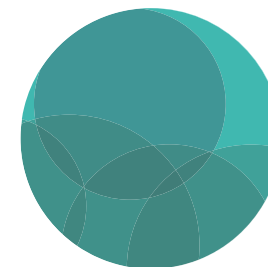
Approaching the socialization of projects with the communities in a proactive manner has allowed us to reduce the risks and externalities in the relationship with the native communities in the areas of influence, thus facilitating our work to make progress in improving people's lives.

## Indigenous Communities

Within the relationship work established in the Guide to Good Practices in Relations and Engagement with the Community, there is a type of stakeholder that deserves special treatment. These are Human Groups Belonging to Indigenous Peoples (HGBIP) where individuals, families, associations, and native communities are included. This special treatment is given by the particularity recognized by Chilean legislation, as well as by the special character established within the environmental processing regulations, properties and political links.

As Grupo Saesa we have organized our relationship around the life cycle of a project, which corresponds to four stages: preliminary project, design, construction, and operation. This structure also applies to those projects that require linkage with HGBIP, although we recognize that many times there are factors that we cannot foresee and that can alter the development of a project and its integration in the territory.

In the case of the existence of an indigenous community at the site of a project, we include in our Environmental Impact Statement an Anthropological Study of the indigenous community or association, validated by them.



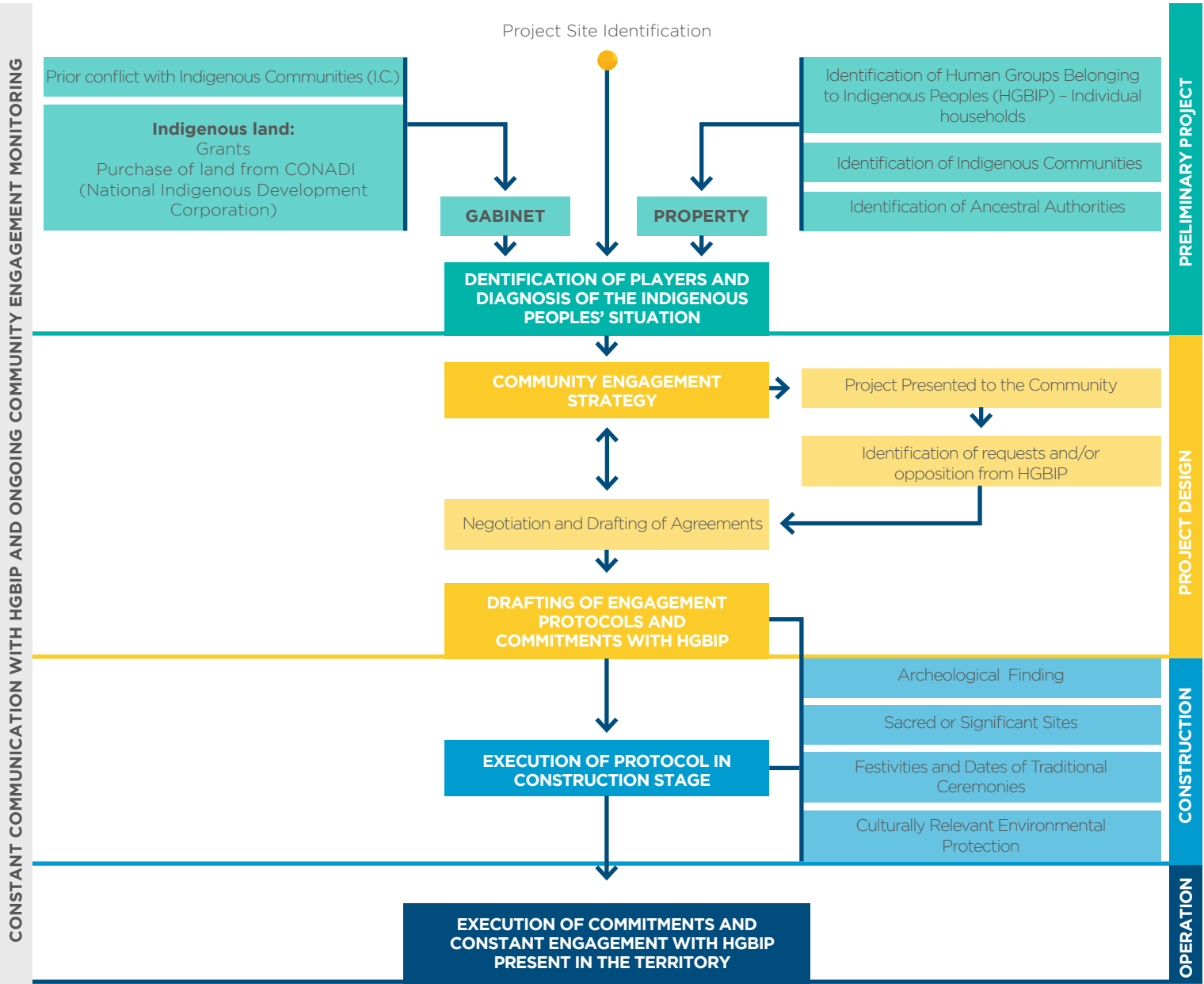
**Our Guide of Good Practices in Community Participation and Outreach** guides us in strengthening relations with the people and communities near our operations.







RELATIONSHIPS WITH INDIGENOUS COMMUNITIES





Projects

PROJECT	INSTITUTIONS, ORGANIZATIONS OR HUMAN GROUPS	FORMAL CITIZEN PARTICIPATION IN EES	AGREEMENT REACHED OR BENEFIT OFFERED
<b>Llollelhue-La Unión Transmission Line and Llollelhue Substation.</b>  (The socialization process started once the Environmental Rating Resolution was obtained).	<ul style="list-style-type: none"><li>-Municipality of Paillaco, townships of Pichirropulli; Nueva Aurora School, Pequeños Corazones Daycare, Neighborhood Organization and Pichirropulli Fire Department /15 participants.</li><li>- La Luma Mapuche Kimun Indigenous Community / 25 participants.</li><li>- La Unión Municipality, Los Conales and Rapaco Townships / 25 participants.</li><li>- Lleufu Antri Indigenous Community 12 participants.</li></ul>	<ul style="list-style-type: none"><li>-In 2018, the Neighborhood Organization of the Rapaco Panguimilla sector submitted an application for Citizen Participation, which was attended by 15 people.</li></ul>	<ul style="list-style-type: none"><li>- During 2020 we helped the Pichirropulli Fire Department to move a fire truck from Barcelona (Spain) to Paillaco.</li><li>- We also completed the connection of the La Luma Mapuche Kimun Indigenous Community to the electricity system.</li></ul>
<b>Río Toltén Substation</b>	<ul style="list-style-type: none"><li>- We conducted socialization activities in 2018 and 2019, prior to launching of the project.</li><li>- We presented the project to the Regional Environmental Assessment Agency (SEA), the Municipality of Freire and the Protected Human Groups with indigenous quality near the facilities / 12 participants.</li></ul>	<ul style="list-style-type: none"><li>- We completed the application for citizen participation by the Pascual Temu, Fernando Catrián and Juan Huanquilef indigenous communities, and the Villa Los Cierros Housing Committee; all from Freire / 80 participants.</li></ul>	<ul style="list-style-type: none"><li>- The Fernando Catrián and Juan Huanquilef indigenous communities presented local development projects, which were co-financed by Grupo Saesa.</li><li>-They also requested the construction of a Ruka (dwelling), which was fully financed by the company.</li><li>-We completed the rural electrification project to connect 26 households to the grid, requested by the Pascual Temo Indigenous Community.</li></ul>
<b>Llanquihue Substation</b>  (The socialization process started once the Environmental Rating Resolution was obtained).	<ul style="list-style-type: none"><li>-We presented the project to neighbors of the Santa Ema de Llanquihue estate.</li><li>-We agreed to work with the community for 10 months, in conjunction with Fundación Legado Chile.</li></ul>	<ul style="list-style-type: none"><li>-Citizen participation was not requested in the Environmental Assessment process.</li></ul>	<ul style="list-style-type: none"><li>-A collaboration agreement was signed with neighbors of Loteo de Fundo Santa Ema, for improvements to community facilities.</li><li>-We carried out wetland cleanup work, scientific studies of wetlands and their recovery, jointly with the community.</li></ul>
<b>Nueva Gamboa Substation</b>	<ul style="list-style-type: none"><li>-We carried out socialization work with the neighbors near the land where the substation would be located / 60 participants.</li></ul>	<ul style="list-style-type: none"><li>-We registered a request for Citizen Participation, submitted by indigenous communities Fundo Putrihuén, Fundo Alto Gamboa, JJ.VV. Gamboa Alto and APR Gamboa and private individuals.</li></ul>	<ul style="list-style-type: none"><li>-We held virtual meetings with the indigenous community Fundo Putrihuén, the Alto Gamboa Neighborhood Council and APR Alto Gamboa / 20 participants.</li><li>-We had a face-to-face meeting with the indigenous community Fundo Alto Gamboa / 6 participants.</li></ul>
<b>El Blanco Photovoltaic Plant, Coyhaique</b>	<ul style="list-style-type: none"><li>-We presented the Letter of Relevance and carried out socialization work with the communities near the Photovoltaic Power Plant, El Blanco sector, Coyhaique / 20 participants.</li></ul>	<ul style="list-style-type: none"><li>-We carry out voluntary citizen participation with the El Blanco Fire Department, the El Blanco School, the Committee for the Unemployed and the El Blanco Neighborhood Council.</li></ul>	<ul style="list-style-type: none"><li>-We have drawn up collaboration agreements for the electrification and certification of the home installation of the Fire Department and the Committee for the Unemployed.</li><li>-We worked together with the El Blanco School on a photovoltaic panel and electric heating system project.</li></ul>



# Local Community Participation

With regard to our relationship with the communities directly or indirectly related to our projects, we work to ensure that our actions really add value to these communities, collaborating in their development and well-being.

In 2020, many of our community programs had to be reinvented in order to continue during the pandemic. At the same time, we had to incorporate new actions of a social nature due to the scenario that the community has had to face.

As a result of the pandemic, the “Liga Saesa” (Basketball League) and “A la Escuela con Energía” (To school with energy) programs could not be carried out normally due to the fact that the basketball clubs and rural and urban schools had to remain closed due to the established health restrictions. But before the health crisis broke out, the “A la Escuela con Energía” program benefited 15 schools in 13 municipalities in the regions of Biobío, Araucanía, Los Lagos and Aysén with audiovisual equipment and school supplies for more than 300 students.

In addition, we were able to present the awards for the winning schools of the energy efficiency contest held in 2019.

MUNICIPALITY	SCHOOL	PRIZE
Los Álamos	Escuela José Campos Menchaca	Replacement to lighting system with LED technology.
Gorbea	Escuela Melirrehue	Photovoltaic panel system
Futrono	Escuela Hueinahue	Photovoltaic panel system
Puerto Octay	Escuela Rural Cascadas	Replacement to lighting system with LED technology.
Mauñín	Escuela Francisco Hernández, Las Chilcas	Computer lab.
Queilen	Escuela Rural Contuy	New heating system (heat pump system).
Coyhaique	Escuela Rural Arroyo el Gato	Photovoltaic panel system

In the Education line of action, through the “Liceos Eléctricos” (Technical High Schools with Electricity Specialization) program, we provide training to students in their junior and senior year of technical-vocational high schools. In a virtual modality, nearly 200 students participated in subjects related to risk prevention and safety, technical standards, smart metering, linemen training courses, among others. In addition, two training switchyards were built at the Los Alamos and Panguipulli high schools.

Meanwhile, 24 youths graduated from the Linemen Training Program after attending theoretical classes online. The practical classes were held in a training yard under strict sanitary protocols.

During the second half of the year, we were able to develop a program of Training Courses for the community, through which we donated 18,800 hours of free training in different areas to 420 neighbors.

TRAINING COURSES IN 2020	# OF BENEFICIARIES	HOURS OF TRAINING
Digital literacy	54	864
Digital marketing	73	2,190
Technical competencies for the development of skills and attitudes for employability	194	9,700
Administrative assistant	86	4,300
Household electricity	12	1,800







With respect to the Dialogue line of action, the “Somos Vecinos” (We are neighbors) program, which aims to create meeting and dialogue spaces with different community stakeholders, was carried out in radio format. A total of 414 programs were broadcast on 103 different stations, totaling more than 8,000 minutes on the air.

Finally, with respect to the Access to Energy line of action, the “Conexión de sedes sociales” (Connection to social media) program, which seeks to provide electricity supply to community centers, carried out around 30 connections in 23 communes, benefiting around 3,000 households.



LINES OF ACTION	PROGRAMS
ACCESS TO ENERGY	Connection to Social Media
	To School with Energy
	Technical High Schools with Electricity Specialization
EDUCATION/TRAINING	Linemen Training Program
	Training Courses for the Community
SOCIAL COMMUNICATION	Somos Vecinos Radio Program
SOCIAL AID (PANDEMIC)	





# Community Support During the Pandemic

As Grupo Saesa, we know that we are part of society and that we must make a contribution to the difficult circumstances that the pandemic has brought. Since the beginning of the COVID-19 crisis, our sustainability area and the community relations teams in the areas where we operate began to interact with a series of public and private institutions, coordinating with them to provide different types of support to the most affected people and communities.

Beyond the material contribution, as Grupo Saesa we highlight the empathy and dedication of all the members of our company who helped us to channel the requests for help that we received.



**We supported research efforts to develop mechanical ventilators.** In collaboration with the Universidad Austral de Chile and Allware, we were able to donate this specialized equipment to hospitals in the Los Ríos and Los Lagos regions.



**We contributed to Fundación Las Rosas** to ensure the care of the residents of senior homes Padre Pío (Valdivia), Santa María (Osorno), while in Puerto Aysén we supported the San Vicente de Paul home.



To help our community, **we deliver hygiene and disinfection supplies to municipalities, community groups and public organizations.**



To support health care workers, **we donated masks for the protection of the non-medical team at the Osorno Hospital.** By doing so, we involved local entrepreneurs who manufacture these items.



**Grupo Saesa employees promoted a solidarity campaign** to help vulnerable families in the concession area with food boxes, and as a company we tripled the money raised by our employees.



**We collaborated in the sanitization of public spaces** in several cities and towns in the concession area.

In addition, in several communities we asked entrepreneurs to make masks for our workers.



As a way of collaborating with the care of COVID-19 patients, **we delivered 3 pieces of intubation equipment to the Puerto Montt Hospital,** which were manufactured by a local company.



**We have delivered tablets to different educational institutions** to enable distance education for the most vulnerable students.



**We provided support by having our crews work** on providing electric power to the barriers and sanitary cordons.





# Environmental Management

At Grupo Saesa we are convinced that we have much to contribute in environmental matters. In the long term, as a company we have set ourselves the goal of being carbon neutral by 2040, and in the short and medium term we remain committed to the projects we have been working on in this area, despite the difficulties imposed by COVID-19.

Our efforts in this regard began more than 20 years ago, with the Alto Baguales wind farm in the Aysén Region. During this time, we have continued to implement large-scale photovoltaic power plants, in addition to the installation of distributed off-grid and on-grid photovoltaic systems. In addition, we have strived to develop and offer our customers various alternatives in the area of energy efficiency. These include efficient solutions for air conditioning in industrial and residential environments, efficient lighting for public spaces, and charging infrastructure for all types of electric vehicles.

Among the main projects we are developing in 2020 are:

## 2020 Saesa Heat Pump Pilot Project

This initiative consists of replacing wood, pellet, gas or electric heaters with Split inverter technology devices based on electric heat pumps in 11 households from Lota to Castro. The study seeks to validate that this form of heating is economically competitive and improves the quality of life of people in southern Chile.

In this context, Grupo Saesa aims to bring these new technologies closer to people and fight the popular belief that electric energy is more expensive for heating. Preliminary results show an average decrease in participants' expenses of 19%, -5% with respect to firewood and -22% with respect to pellets, and 100% participant satisfaction. So far, heat pump systems have been implemented in homes, schools, nursing homes and nursery schools.

## Stage One of Project “Electrifying Share Taxis in the South of Chile”: Coyhaique

May 2020 marked one year of operation of the pilot, in which two electric share taxis on lines 6 and 7 were electrified. The pilot project will continue until the purchase of the vehicles materializes with the use of the “Renueva tu Colectivo Eléctrico” (Renew your Electric Share Taxi) subsidy in 2021.

## Stage Two of Project “Electrifying Share Taxis in the South of Chile”: Valdivia

Start of the second stage of the project, which consisted of the replacement of 2 electric taxis of lines 110 and 150 with Hyundai Ioniq electric vehicles. As in the first stage, 2 residential chargers were installed free of charge for the operators and a special consumption rate (EcoSur) was provided. The pilot was launched in December 2020 and the Minister of Transport and important regional authorities participated in the event.

## Public Charge Stations from Temuco to Coyhaique

Commissioning of 10 new charging stations installed in 2019. This brings the total number of public charging stations to 15, connecting nearly 1,200 km. The next step is to provide connectivity and communication to public charging stations, in order to be able to perform intelligent management remotely.

## Offering Electromobility Services and solutions to Our Customers

On our website ([www.electromovilidadgruposaesa.cl](http://www.electromovilidadgruposaesa.cl)), we offer electromobility charging solutions for all types of vehicles for different types of needs and customers, from electro terminals to residential chargers, as well as smaller electromobility products. In addition, during the year we carried out joint research efforts

with different institutions, with the aim of finding electromobility solutions that represent an added value for people and that have scientific backing.

### AMONG THESE PROJECTS ARE:

- **Development of a research project with Universidad de Chile in the pilot of electric shared taxis in Coyhaique.**
- **Second stage of research, in conjunction with Inacap Osorno, for “the search for a technological solution to optimize routes and reduce wear of lithium batteries”.**
- **Study associated with the pilot of shared taxis in Valdivia, together with the Energy Sustainability Agency.**
- **Committed participation with the winning consortium led by the University of Chile, the Energy Sustainability Agency and the Mario Molina Center to develop the New Sustainable Acceleration Center for Electromobility (CASE). This initiative promoted by CORFO, the Ministry of Energy and the Ministry of Transportation and Telecommunications seeks to accelerate electromobility in Chile through a consortium that will be co-financed by the corporation up to 80%, with a ceiling of up to USD 7 million.**
- **Support and co-financing for a GEF (Global Environment Facility) project submitted by the Energy Sustainability Agency.**





# Environmental Management



A network of  
**1,125 km**



**15**  
Charging stations  
Semi-fast charge



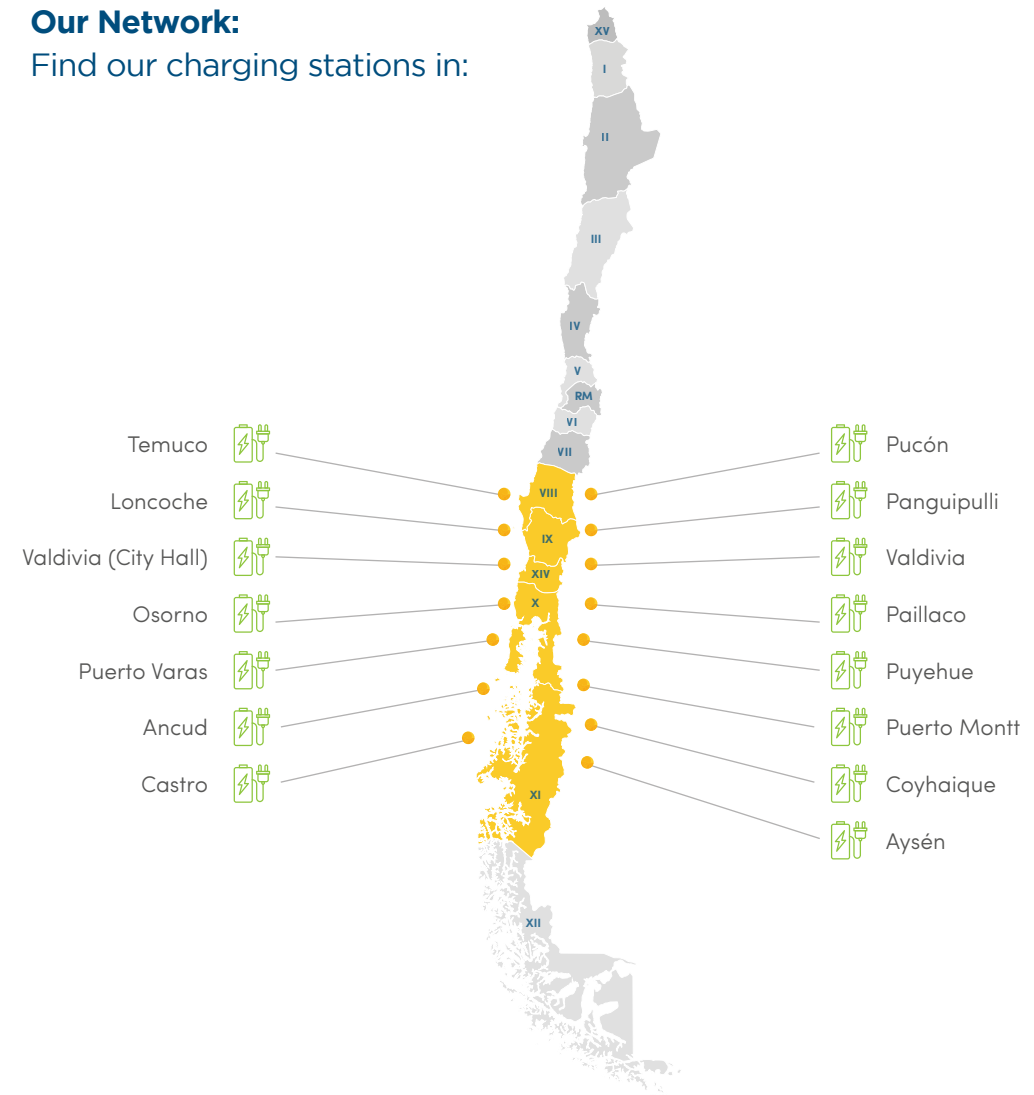
**14**  
Municipalities



**4**  
Regions

## Our Network:

Find our charging stations in:







Looking to the future, in the town of Las Juntas (Lago Ranco), a pilot rural drinking water with renewable energies and storage will be implemented to supply drinking water through the use of renewable energies. This system takes advantage of the excess generation produced during the day to charge batteries that can supply energy during the night or in the event of power grid failures. Until now, these types of rural drinking water systems used diesel generators as backup.

For its part, our Sales and Projects Division has worked on a series of initiatives that seek to transform the energy matrix into electrical energy in both residential and industrial projects. These are especially aimed at designing and building off-grid photovoltaic systems for households without access to a power grid, as well as outlining and implementing grid-connected photovoltaic systems that lower our customers' energy costs. All this while generating clean, renewable, infinite, and environmentally friendly energy.

In this area, the main projects are:

**Vivo Caupolicán Capreva Building, Valdivia:** This project involves a 13-story building for which ventilation solution is designed and implemented to comply with Valdivia's Decontamination Plans and with the generation of comfort conditions to comply with current building regulations.

**Coyhaique Hospital / Pediatric Intensive Care Unit:** The design of these facilities has included an air treatment solution (both hot/cold and air filtering). In addition to the technical requirements of this project, compliance with hospital intensive care regulations had to be added.

**Portal Los Alpes Project, Constructora Avifel, Osorno:** An initiative designed and implemented by Soluciones Energéticas for ten "100% electricity powered" houses. Electric air conditioning, a heat pump for domestic hot water and 1.5 kW on-grid photovoltaic systems per house were installed, as well as a residential electric charging station for the residential area.

**Enabling power supply for individual photovoltaic systems, Quitaqui sector, Valdivia:** The project, awarded through a public bidding process in the Mercado Público government platform, consists of individual off-grid photovoltaic solutions for 45 households in the Quitaqui Sector, Valdivia.

**Enabling power supply for individual photovoltaic systems, Quitaqui sector, Valdivia:** The project, awarded through a public bidding process in the Mercado Público government platform, consists of individual off-grid photovoltaic solutions for 8 households in the Torrentoso Sector, Cochamó.

**75 kW on-grid project, Purranque:** On-grid, ground system consisting of 204 panels installed to lower the costs of the production process of a dairy farm.

**60 kW on-grid project, Perquenco:** On-grid project in rooftop mode, to reduce the energy costs of the production process of an irrigation system.

**20 kW on-grid project, Purranque:** On-grid project in rooftop mode, to reduce the energy costs of the production process of a dairy farm.

**20 kW on-grid Ichuac, Chiloé:** On-grid project in rooftop mode, to reduce the energy costs of the production process of a boatyard and household consumption.





Energy Consumption in Our Offices

At Grupo Saesa we are committed to measuring internal energy consumption to gather information that will allow us to make our management more efficient.

MEASUREMENT UNIT		TOTAL CONSUMPTION		MONTHLY AVERAGE	
		2019	2020	2019	2020
FRONTEL	Energy kWh	618,257	1,461,026	51,521	121,752
SAESA	Energy kWh	1,172,569	2,205,522	97,714	183,794
EDELAYSÉN	Energy kWh	148,503	842,623	12,375	70,218
Total		1,939,329	3,194,171	161,610	26,618

COMPANY	ENERGY KWH
FRONTEL	1,461,026
LUZOSORNO	6,322
SAESA	2,205,522
EDELAYSEN	842,623
TOTAL GENERAL	4,515,493

Recycling Program

Our commitment to the environment and sustainability also led us to start a recycling pilot project at our offices in Osorno. This project aims to raise awareness about the impact of our daily activities on the environment, and thus improve our waste separation habits, in order to recycle at least 50% of the total amount of waste we generate every day.

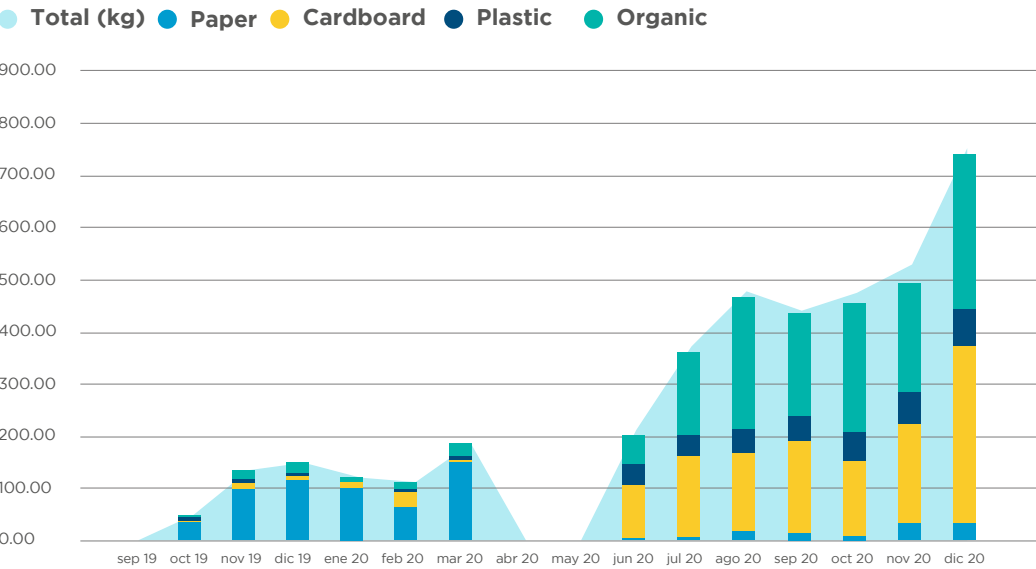
Although the pilot was intended to recycle waste generated by employees at their workplace, due to the isolation measures imposed by the pandemic, the pilot was redesigned to be carried out at home with 50 employees and their families. This program recycles inorganic and organic waste, which is removed by a specialized company in the area.





	TOTAL 2019 (KG)	TOTAL 2020 (KG)
Paper	251.90	453.70
Cardboard	21.17	1,276.37
Plastic	18.10	381.83
Aluminum	0.00	109.10
Organic waste	45.05	1,457.37
Total	336.22	3,678.37

Recycling pilot 2019-2020 (kg)



Despite having been in operation for only one year, we are very pleased with the results of this recycling project, given the accumulated environmental savings resulting from the accumulated recycled waste in 2020 and the equivalence to its use in our daily activities.

ENVIRONMENTAL SAVINGS CONTRIBUTION		EQUIVALENT SAVINGS	
6,659	Energy kWh	22.20	Months of electricity consumption of an average household
2,451.89	Kilograms of CO2	1,332.14	Vehicles that remained at home
85,761.00	Liters of water	178.67	Hours of irrigation with domestic hose
88.46	10-meter high trees	1,415.33	Reams of paper

Emissions

HEAD	DIRECT EMISSIONS 2020 (TON CO2E)
Thermal generation units (Diesel No. 2)	99
TonCO2eq	62,825.69
Diesel consumption (Ton)	18,332.01





## Hazardous Waste

The generation and management of hazardous waste is environmentally sensitive, consequently, Chile has established a hazardous waste reporting and monitoring system called SIDREP that certifies waste destination and final disposal in authorized locations.

At Grupo Saesa we care about the hazardous waste we produce as a result of our processes. Working with this type of waste involves following well-established procedures focused primarily on protecting people's safety and health. For this purpose, we have developed two instructions, one for the correct management of hazardous waste (I-PA-ACS.ma-001) and another one detailing the procedures for handling spill incidents (P-PA-ACS.ma-002).

In the first one, the instructions describe the handling of wastes that are the result of the normal operation of the facilities and their preventive maintenance programs and that are generated in a controlled environment, while the second one specifies what to do when hazardous wastes are the result of an accident and/or an unforeseen failure ("incident").

In both situations, the management of storage, transportation and final disposal of the hazardous wastes is carried out in compliance with all the management standards associated with them.

### Hazardous Waste

PLANT OR UNIT	DISPOSAL METHOD	WEIGHT (KG)
Coronel Hazardous Waste Depot	Final disposal	44,148
Barro Blanco Hazardous Waste Depot	Final disposal	284,939
Tehuelche Hazardous Waste Depot	Final disposal	131,870
TOTAL		460,957

### Non-Hazardous Industrial Waste

PLANT OR UNIT	WASTE	DISPOSAL METHOD	WEIGHT (KG)
Barro Blanco Warehouse	Concrete poles	Recovery/Reuse	9,630
Barro Blanco Warehouse	Decommissioned wooden poles	Recovery/Reuse	197,060
Barro Blanco Warehouse	Wooden crossarm	Recovery/Reuse	427
Barro Blanco Warehouse	Copper (Cu)	Recycling (smelting)	63,431
Barro Blanco Warehouse	Decommissioned bare aluminum	Export	79,260
Barro Blanco Warehouse	Decommissioned galvanized wire	Export	140,190
TOTAL			489,998

CORONEL WAREHOUSE		44,148 (KG)
Hydrocarbon-contaminated soil/gravel		8,060
Water contaminated with petroleum oil		13,600
Cleaning material contaminated with hydrocarbons		1,680
Oil filters		820
Waste oils and lubricants (except emulsions)		5,355
Fluorescent tubes		24
Lead batteries		200
Air filters		14,360
Paint contaminated containers		18
Coolant		30
Batteries		1

TEHUELCHÉ WAREHOUSE		131,870 (KG)
Lead batteries		19,000
Contaminated cleaning material and wipes		660
Contaminated oil		14,160
Refrigerant - contaminated solvents		14,200
Contaminated water		4,200
Lubricating oil		52,600
Oil filters		3,650
Air filters		2,950
Soil contaminated with hydrocarbons		19,750
Batteries		700

BARRO BLANCO WAREHOUSE		284,939 (KG)
Waste electrical and electronic equipment		18,000
PCB-free distribution transformers		204,000
Contaminated water		2,350
Lubricating oil		24,600
Coolant - contaminated solvents		400
Used filters contaminated with hydrocarbons		3,160
Oil-contaminated cloths and wipes		2,016
Contaminated oil		4,840
Batteries		1,000
Hydrocarbon-contaminated soil/gravel		19,026
Contaminated cleaning material		2,880
Empty containers contaminated with hydrocarbons		809
Fluorescent tubes		50
Empty paint and release agent containers		1,765
Lead batteries		41
Used toner containers		2





# GRI Contents

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# GRI Contents

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	102-41	Collective bargaining agreements	61
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	102-43	Approach to stakeholder engagement	104
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	102-46	Defining report contents and topic Boundaries	104
	102-47	List of material topics	104
	102-48	Restatement of information	No restatements of information
	102-49	Changes in reporting	There are no changes in the reporting process
	102-50	Reporting period	2020
	102-51	Date of most recent report	2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	3
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI standards: Essential option
	102-55	GRI content index	99-103
	102-56	External assurance	There was no external verification
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MATERIAL TOPIC - QUALITY AND CONTINUITY OF SERVICE			
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	103-2	Evaluation of the management approach	76
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This material topic has no specific GRI Standard associated with it	TOPIC SPECIFIC INFORMATION - CUSTOMER AND CONSUMER SATISFACTION		76
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<b>MATERIAL TOPIC - SOCIAL LICENSE AND COMMUNITY ENGAGEMENT</b>			
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	85-91
	103-2	Management approach and its components	85-91
	103-3	Evaluation of the management approach	85-91
LOCAL COMMUNITIES	413-1	Operations with local community participation, impact assessments and development programs	85-91
	413-2	Operations with significant negative impacts - actual and potential - on local communities	85-91
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	103-3	Evaluation of the management approach	92-95
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<b>MATERIAL TOPIC - NEW SOLUTIONS TO FACE CLIMATE CHANGE</b>			
MANAGEMENT APPROACH	103-1		80-83
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	103-3	Evaluation of the management approach	80-83
This material topic has no specific GRI Standard associated with it		TOPIC SPECIFIC INFORMATION - NEW SOLUTIONS TO FACE CLIMATE CHANGE	80-83
<b>TEMA MATERIAL - RESIDUOS, RECICLAJE Y ECONOMÍA CIRCULAR</b>			
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# Materiality Assessment

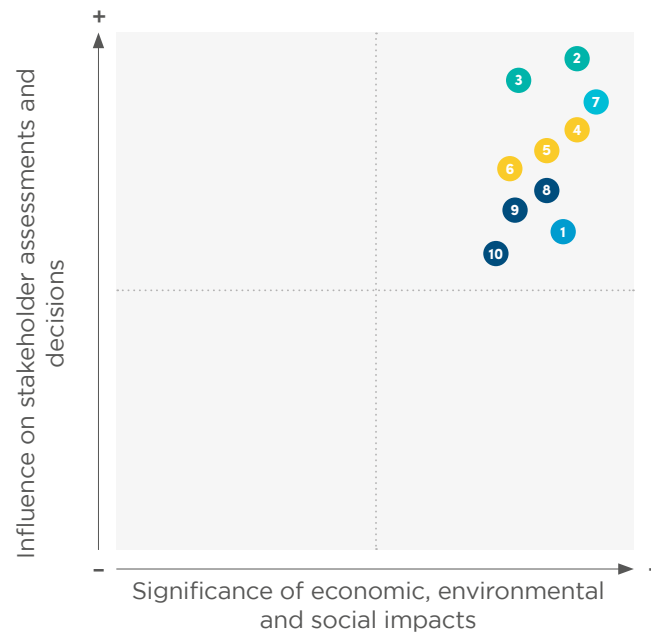
Materiality is the process that seeks to define the relevant issues for an organization's stakeholders, making it possible to identify the main economic, environmental and social effects and impacts of the company, as well as those that significantly influence the decisions of stakeholders.

Specifically, it is the threshold that determines the expectations that stakeholders have about the company and, consequently, are the priority aspects to be managed in strategy and/or sustainability reports.

## Sources for materiality

Sustainability standards	
Internal studies and surveys	
Stakeholder surveys 2021	
Interviews with key officers	
Press releases	

## Prioritization for stakeholders and business impact



## Material issues

### Governance

- 1 Accountable leaders

### Staff

- 2 Occupational health and safety
- 3 Talent attraction, development, and retention

### Customers

- 4 Quality and continuity of service
- 5 Customer and consumer satisfaction
- 6 Access to the power grid in off-grid areas and improved quality of life

### Social

- 7 Social license and community relations

### Environmental

- 8 Energy efficiency and transition to NCRE sources
- 9 New solutions to address climate change
- 10 Waste, recycling and circular economy





# Sustainability Report

Inversiones Eléctricas del Sur S.A.





# Sustainability Report

Inversiones Eléctricas  
del Sur S.A.

grupo  
**saesa**

20  
20

