





OWER TO A SAIGHTER FUTISS OUSTAINABLE PROGRESS







# Electrifying a sustainable future with cleaner energy



**Herman Chadwick P.**Chairman of the Board of Directors



Fabrizio Barderi Chief Executive Officer



# Letter to stakeholders,

## 102-14

We are writing to you to share the progress made in sustainability during 2021, as well as our vision of the future of the coming years, marked by the opportunities arising from the profound transformations we are witnessing.

The enormous challenges posed by climate change and humanity's desire to make changes towards a better quality of life, have become central elements for sustainable progress. Both have already been at the core of our sustainability plan for several years now, and we continue to dedicate our priority attention to them, framing our strategy within the goals of the 2030 Agenda.

At Enel Chile, we began integrating sustainability into our business strategy several years ago, operating with a business model that responds to the objectives of the Paris Agreement, ratified at COP26 in Glasgow, of not exceeding a temperature increase of 1.5°C compared to pre-industrial levels.

In line with this goal, our evolution in renewable generation continues to grow steadily. Thus, we reached 5.6 GW of renewable capacity by December 2021, and plan to increase to 8.0 GW by 2024, reaching 80% of our emission-free matrix thanks to the investments of the 2022-2024 plan.

Our investments also include storage and hybrid plants to increase production flexibility and security. Looking to the future, we are investing in the development of new technologies, such as tidal and green hydrogen, which will enable us to reach new industrial sectors that at the moment still rely on fossil fuels.

With these investments we have been laying the foundations to reduce our dependence on the volatility

of international fossil fuel prices, becoming in 2022 the first company nationwide to close all its coal-fired plants definitively, setting a precedent by doing so 18 years earlier than planned by the National Decarbonization Agreement.

In parallel, we continue our process of continuous improvement in conventional generation plants, always optimizing their operation in the understanding that they are a necessary complement until the complete transition to renewable energy can be achieved. The intense drought that has been affecting Chile for several years now requires responsible management of hydroelectric reservoirs. For this reason, we promote an adequate and timely coordination among those who share water resources to ensure their best use, mitigating to some extent the impact of the drought that so severely affects Chile.

It is not enough to decarbonize the energy matrix; it is also necessary to make this clean energy available to customers, who are the protagonists on the path to Net Zero. We are part of a society that is becoming more and more demanding in environmental matters and in the experience of energy use, two priorities that mark the beginning of the decade of electrification. A transformation that is based on more diversified ways of using and disposing of electricity in cities, and which requires a renewed distribution capacity.

This scenario poses additional challenges to the grid, which must be more flexible and resilient. Our investment in innovation and digitization, as well as in data management, allows us to improve the performance of the infrastructure and the availability of the grid, increasing the quality of service and facilitating access to electrification for citizens.





In 2017, Enel X began installing charging points in Chile, marking the beginning of electromobility and the delivery of advanced energy solutions. Today we have electric terminals with more than 120 charging points, and we are working to give life to ElectroRuta Enel X, linking Arica and Punta Arenas together in a single electrical route. To promote electrification, and the ensuing development of smarter and more circular cities, we offer technological and innovative solutions and services that cover the entire urban ecosystem. We are looking to become strategic partners of our customers, to provide services and electrical infrastructure according to their needs, so that they may reduce and achieve energy efficiency in their own consumption, which not only results in lower costs for them but also in positive impacts on the environment and the planet.

In this way, the purpose that drives us at Enel Chile has been paved: to improve people's quality of life. We believe that economic prosperity depends on environmental and social well-being, and for this reason, we look at the conservation of natural resources and biodiversity from a broad perspective or from an ecosystemic point of view, which involves local communities as an integral part of the same fabric. The strengthening of communities, cultural heritage and the territory in its global vision, is fundamental for sustained progress over time. We are dedicated to this work, prioritizing it as a specific axis of the strategic sustainability plan.

This energy, social and environmental transformation requires the development of new capabilities in different roles, necessary to realize the ambitious nature of our strategic plan. Encouraging horizontal leadership in diverse and inclusive work environments is key to the sustainability of our business, as well as promoting

training and agile environments in which motivation and engagement are distinctive elements to advance towards our common purpose.

Our results are endorsed by the recognition of the most prestigious sustainability evaluators. For the first time we were included in the Bloomberg Gender Equality Index, which recognizes companies for their performance in gender equality, and we participated in the Carbon Disclosure Project (CDP) on climate change. We also improved our positioning in various evaluations by specialized analysts such as S&P Global: FTSE Russel, MCSI, Sustainalytics, and Refinitiv, among others.

Our navigation chart is based on a vision of the future that places sustainability as a key and essential element to move towards a decarbonized and electrified economy. To achieve this, we must persevere in the construction of solid networks and links with stakeholders in a collaborative manner, guided by the creation of shared value, which marks the future and unites them in an indissoluble way.

Herman Chadwick P.

Chairperson of the Board of Directors

Fabrizio Barderi

Chief Executive Officer











# Index

# **COMPANY VIEW**



# **CONTEXT AND BUSINESS MODEL**

Context And Business Model	14
Enel Chile leading electrification with	
cleaner energies	18
Commitment to sustainability	30
Context and trends	32
Defining priorities	46
Integrating Enel Chile's main ESG risks	59
Commitment to the SDGs	62
Sustainability strategy	63
Value creation	66
Most important awards and	
recognitions of 2021	70

# **TOPIC VIEW**



# **OUR ESG PERFORMANCE**



# The path to Net Zero

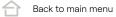
Human rights

0	Net Zero ambition	75
	Energy transition and decarbonization	106
	Electrification and customer centrality	101
	Resilience and digitalization of the network	124
	Service and quality relationship with our customers	144
	Products and services for electrification	
	and digitization	158
<u>A</u>	Progress starts with people	
	People	168
	Communities	190
	Sustainable suppliers' chain	222
[53	Nature	
	Environmental sustainability	236
<b>^</b>	Growth accelerators	
	Innovation and digital transformation	272
	Digital solutions and cybersecurity	284
	Circular economy	291
	ESG backbones	
	Occupational health and safety	302
俞	Governance	318
٠.٦		

352

# Guide to navigating the document

To make it easier to view, in addition to hyperlinks, the document has interactions to assist with navigation.



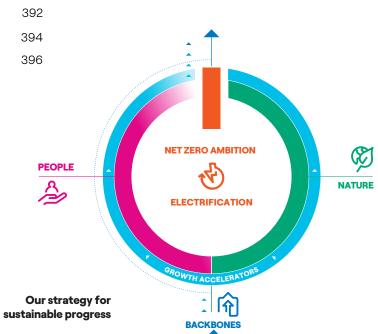






# **ANNEXES**

Methodological note	363
Verification Letter	365
Performance indicators	366
GRI context index	387
SASB context index	392
WEF context index	394
Índice de contenidos TCF	396











# **MISSION**

We open energy access to more people.

We open the world of energy to new technology.

We open-up to new energy uses.

We open ourselves to new ways of managing energy for people.

We open ourselves to new partnerships.

# **BEHAVIOR**

- · Makes decisions in daily life and assumes responsibility.
- · Shares information and is open to contribute with others.
- Keeps commitments, carrying out activities with commitment and passion.
- · Quickly changes priorities if the context changes.
- · Drives results aiming for excellence.
- Adopts and promotes safe behaviors and acts proactively to improve health conditions, safety and well-being.
- Strives for the integration of all, recognizing and valuing individual differences (cultural, gender, age, disability, personality, etc.).
- In his/her work he/she is attentive to ensure customer and/ or colleague satisfaction, acting promptly and efficiently.
- Proposes new solutions and does not give up in the face of obstacles or setbacks.
- Recognizes the merit of colleagues and gives feedback that improves others' contributions.

# **VALUES**

Confidence Proactivity Responsibility Innovation

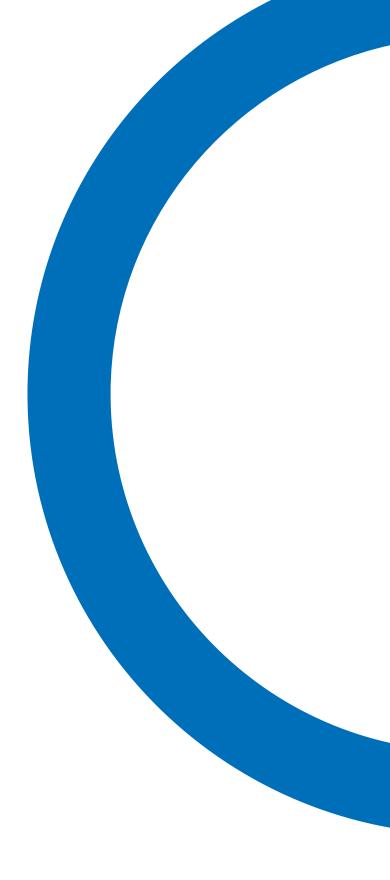


# Context and business model

We are a leading company with a sustainable business model that creates long-term value for all our stakeholders.

We set the priorities that underpin our strategy and our commitments, reporting through a structured materiality analysis process with continuous and direct involvement stakeholder engagement.

Our strategy makes sustainability and innovation the focus, contributing to the achievement of the 17 UN goals for 2030.









# **Context and business model**



# Sustainable business

Enel Chile is one of the leading companies in the country's electricity sector and is part of the Enel Group, the most important holding company in this sector, which is present in more than 30 countries and supplies electricity to 75 million end-consumers through a network of more than 2.2 million kilometers, with more than 90 GW of installed capacity.

The Company's strategy is focused on generating economic, social and environmental value for its stakeholders. All its business lines are in synch the Sustainable Development Goals, whose objectives are achieved by placing the needs of customers at the center of the business, in a market focused on the electrification of energy consumption, the decarbonization of the generation matrix and the modernization of the distribution network. People and local communities, the supply chain, governance, safety and the environment are the pillars of the sustainability that Enel Chile's business model aims to achieve.

The Company's purpose is based on "opening energy for a brighter future, empowering sustainable progress". Enel Chile pursues its purpose by offering quality services and efficient solutions based on clean energy, leveraging innovation, digitalization and circular economy. Thus, Enel Chile seeks to implement an Open Power vision to reduce impacts on the planet, empowering people in the transition to Net Zero.

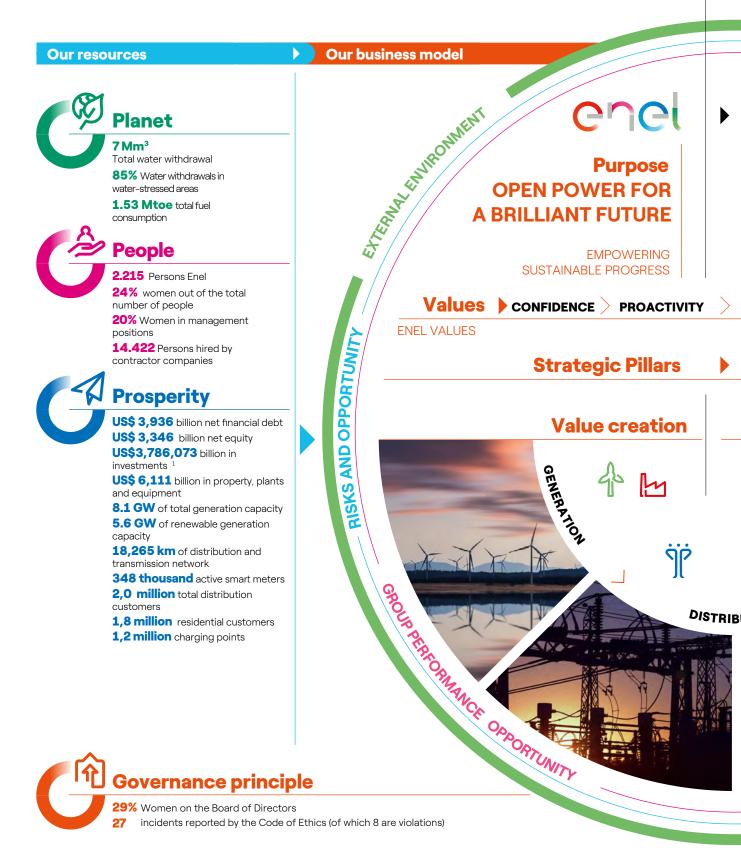








# The value creation process and the business model



1) Represents cash flows used to purchase property, plant and equipment and intangible assets in 2021.





































The value created by Enel chile and by our stakeholders

# GOVERNANCE IS OPEN POWER

# Vision

Open Power to solve some of our world's greatest challenges.

# Mission

- · We open energy access to more people.
- We open the world of energy to new technology.
- · We open up to new energy uses.
- · We open ourselves to new ways of managing energy for people.
- We open ourselves to new partnerships.

# **RESPONSIBILITY**

**INNOVATION** 

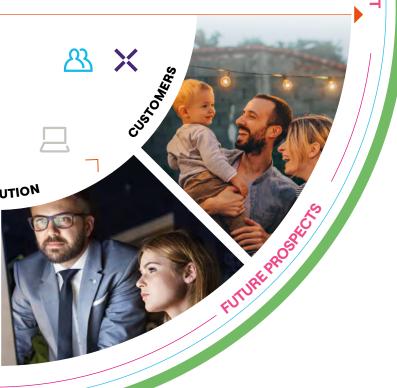
Investing capital for decarbonized electricity

Enable an electrification

of customer energy demand.

Creating value through the value chain





# **Results**

# **Planet**

273 gCO<sub>2</sub>eq/kWh direct emissions intensity of Scope 1

**5.383 million tCO\_eq** total emissions scopes 1,2,3

**4.1 million m³** total water consumption

87% water consumption in water-stressed areas

# **People**

**61 hours** of training per person

10.2% rotation rate

o accident rate for Company personnel

**0.88** accident rate of contractor personnel

1,8 million people involved in SDG4, 7 and 8 projects <sup>2</sup>

# **Prosperity**

Ch\$ 2,885 billion in revenues

Ch\$ 522 billion in EBITDA

Ch\$ 15 billion in taxes paid

4.4% average cost on debt

Ch\$ 231 million in dividends paid

16.7 TWh energy distributed

28.,2 TWh nergy sold in generation

58% renewable energy generated

**400** charging points installed by 2021 152

**152** SAIDI (min)

2) Accumulated since 2015



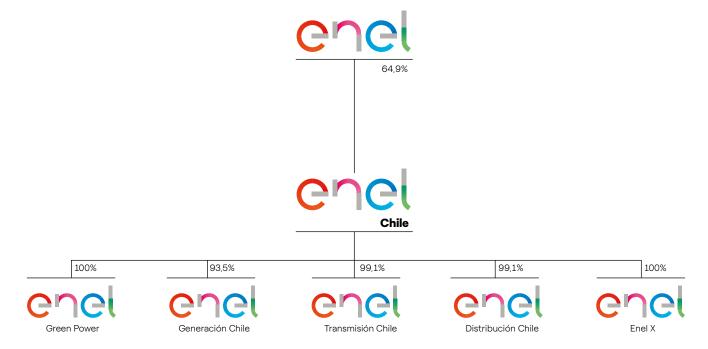


# Enel Chile leading electrification with cleaner energies

102-1 | 102-2 | 102-3 | 102-4 | 102-5 | 102-9 | 102-45

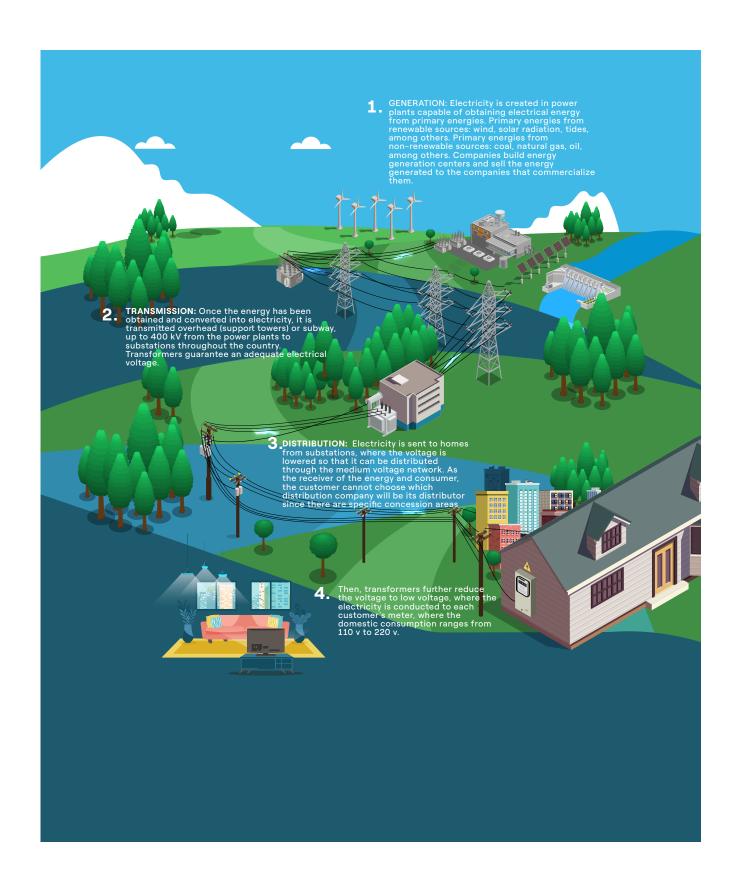
Enel Chile is an open stock corporation listed on the Santiago and New York stock exchanges, which through its subsidiaries participates in the energy generation, distribution and transmission businesses, also providing services for electrification and digitalization. All of this, with the aim of improving the quality of life of its customers and moving towards Net Zero and thus towards a more sustainable world.

# **Business structure**



Note: As of January 1, 2021, in accordance with the provisions of Law No. 21,194 of the Ministry of Energy, Enel Distribución Chile will continue to operate exclusively in the distribution sector. The newly created Enel Transmisión Chile will be responsible for the transmission of electricity, while Enel Generación Chile will oversee commercialization.









# **Operations**

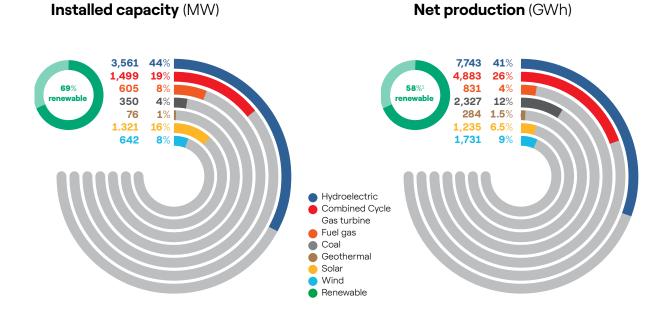
102-6 | 102-7 | EU3 |EU4

# **Generation**

Enel Chile, through its subsidiaries Enel Generación Chile and Enel Green Power Chile (EGP), increased its generation capacity during 2021 by **854 MW**, reaching a total gross capacity of **8,054 MW**, which represents 27% of the country's total capacity and 33% of the renewable capacity as of December 2021, according to <u>Generadoras de Chile</u>.

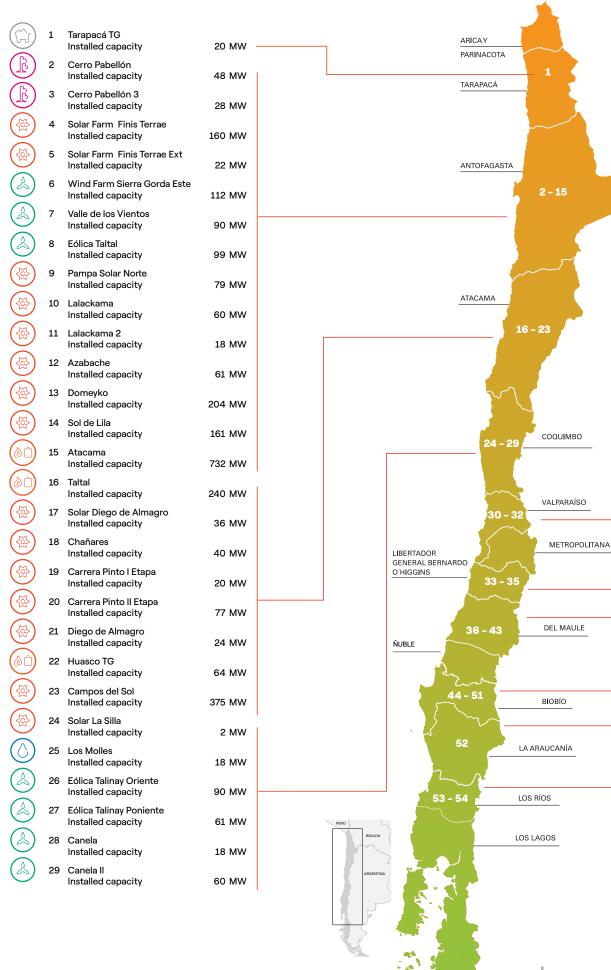
# Installed capacity – generation net production

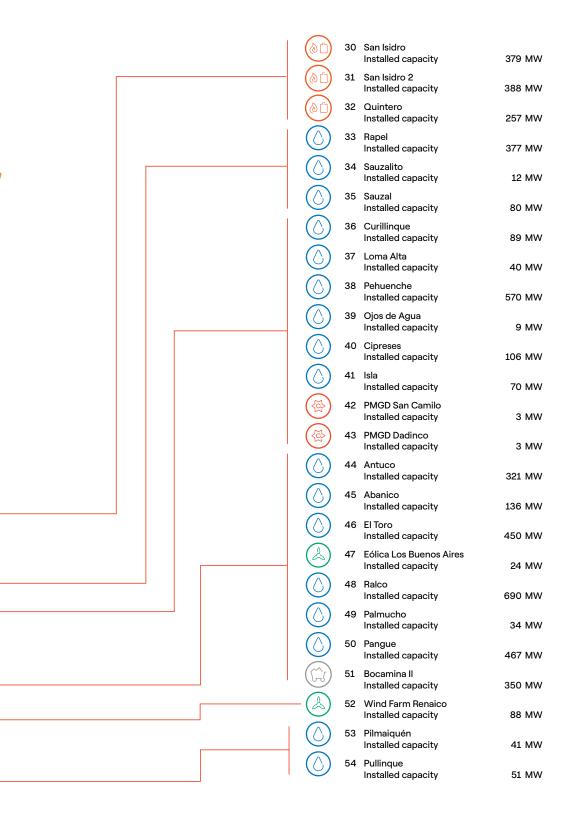
EU1 | EU2





















Fuel gas



Coal



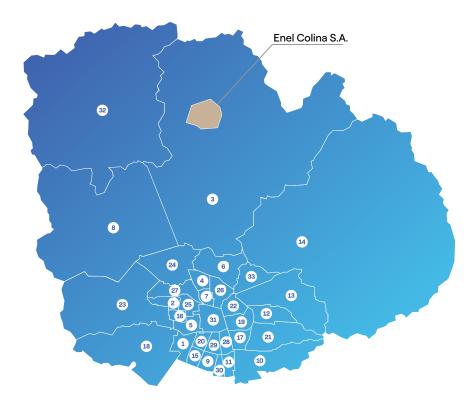


## **Distribution**

Through its subsidiary **Enel Distribución Chile,** Enel supplies electricity to more than 2 million customers in its 2,105 km2 concession area, which covers 33 municipalities in the Metropolitan Region. The Company has a total of 17,582 kilometers of low and medium voltage lines.

Enel Distribución Chile is the largest national distributor, representing 44% of the total sales of the country's distributors.

# **Enel Distribución Chile concession area**

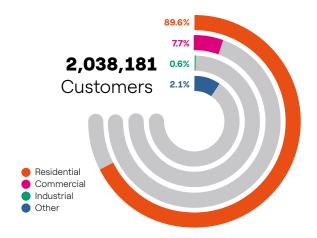


- 1. Cerrillos
- 2. Cerro Navia
- 3. Colina
- 4. Conchalí
- 5. Estación Central
- 6. Huechuraba
- 7. Independencia
- 8. Lampa
- 9. La Cisterna
- 10. La Florida
- 11. La Granja
- 12. La Reina
- 13. Las Condes
- 14. Lo Barnechea
- 15. Lo Espejo
- 16. Lo Prado
- 17. Macul
- 18. Maipú
- 19. Ñuñoa
- 20. Pedro Aguirre Cerda
- 21. Peñalolén
- 22. Providencia
- 23. Pudahuel
- 24. Qilicura
- 25. Quinta Normal
- 26. Recoleta
- 27. Renca
- 28. San Joaquín
- 29. San Miguel
- 30. San Ramón
- 31. Santiago 32. Til Til
- 33. Vitacura

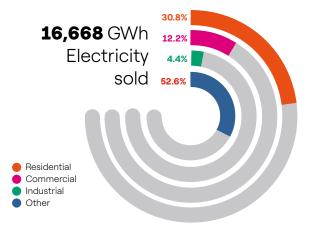




# Number of customers by segment



# Physical sales by customer segment



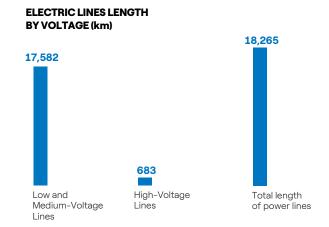






## **Transmission**

Enel Transmisión Chile is engaged in the transmission of electric energy through transmission systems, on its own account or on behalf of third parties, the commercialization of transmission capacity and the transformation of electricity in the National Electric System. The Company has **683** kilometers of high voltage line circuits, 57 own power substations (9 high voltage/high voltage and 48 high voltage/medium voltage) and three third-party substations, with a total of 169 power transformers totaling 8,531 MVA of installed capacity.







# **Products and services for electrification**

**Enel X Chile** seeks lead the promotion of electric energy for new uses, through products and energy solutions based on innovation and sustainability, to advance the electrification of consumption and contribute to more sustainable and less polluted cities.

Enel Chile is currently evaluating the creation of a new company, Enel X Way Chile, to better face the global and local competition that is developing in electric mobility, and to participate in the development of products, technology and services within this business area.





# Responding to Covid-19

In this second year of the Covid-19 health crisis, Enel Chile and all its subsidiaries have kept an ongoing evaluation of their preventive strategy, to reduce the possibility of contagion among its employees and stakeholders. The Company is constantly keeping up with the indications of the World Health Organization (WHO), the guidelines of the Chilean Ministry of Health and the protocols of the Enel Group.

One of the main strategies that the Company successfully applied in 2020 and then reapplied in 2021 was, wherever

possible, move to teleworking. Of course, this excluded people working on-site and whose work is essential to ensure the continuity of service and safety of the national electricity systems, for whom the modality of shifts by work cells was applied, increasing social distancing. In 2021, more than 80% of employees performed their work from their homes.

To ensure the safety and wellbeing of people and provide continuity of energy supply in a safe and responsible manner, Enel Chile applied the following measures in 2021:

# Commitment to the wellbeing of our employees

- Technical and organizational measures to control access to workplaces and common areas.
- · Constant cleaning and disinfection of work areas.
- Individual psychological care, whether for personal or work-related reasons.
- Providing talks and other materials on anxiety, nutrition and online sports, among other topics.
- Maintaining open communication lines with workers, to keep them informed of all measures.
- Modality of work shifts by cells to increase distancing.
- Global Policy PL1031 "Coronavirus Operational and Emergency Indications for Enel Group".
- Operational instructions IO3420 Access control with a prior self-diagnosis requirement, which had to be executed through an application (app).

# Responsible operational continuity

- Commitment to ensuring Enel Distribución Chile operational continuity and comply with the scheduled maintenance plan.
- Safety inspections for associates and contractors.
- Mixed public attention scheme, both in person and remotely.



# Always excelling at service

- Actions to minimize the economic impact that the pandemic could have on customers, such as suspending meter reading service and encouraging self-reading.
- Other initiatives such as proration in five installments of billing associated to non-reading, interest-free payment facilities and alliances with municipalities.
- Incentives to develop projects using digital channels in the Market area, such as the
  implementation of the Enel Cliente Sucursal Casera app to facilitate self-service, offering
  informative webinars, and enabling teams in service channels to receive and manage
  requests for payment facilities.
- Teleworking for commercial offices, social networks and contact center personnel.
- Closing of commercial offices in quarantined areas, with a gradual reopening of commercial branches at the end of this phase.

# Working together with strategic partners and supply chain stewardship

- Monitoring the performance and availability of global suppliers connected to the supply of critical materials, equipment and services.
- · Search for alternative mitigation plans, to use if necessary.
- Redefinition of the scope of the necessary contracts to guarantee the adequate operation of the different businesses and areas, preserving the financial health of the contracts.
- Promoting the use of technology and digitalization of control processes of the Services Area, to maintain contractor management processes without affecting their impact.

# Innovation and digitization at the heart of social solutions

- Enel X Chile volunteered initiatives unrelated to its work and put them at the service of the contingency. For example, the "e-Bus Laboratory" project which, in alliance with the Universidad Católica, made it possible to collect PCR samples on-site.
- The Fuerza para las Pymes (strength for SMEs) project, an e-commerce channel available for small and medium-sized companies to offer and make their products and services visible on a massive platform, to help them drive sales.





# **Commitment to sustainability**

# **Sustainability governance**

102-20 | 102-26 | 102-32

To ensure that sustainability issues are duly considered, Enel Chile has defined its governance structure based on the most exacting international practices, which are the foundation of its decision–making processes and operations throughout the entire value chain.



- Board of directors: Approves strategic, industrial and financial plans, including the Group's annual budget and the Industrial Plan, which complement the key guidelines to promote a sustainable business model and lay the foundations for long-term value. The Board of Directors is also responsible for approving the Sustainability Report and all Company's activities, addressing environmental, social issues -such as human rights, diversity and inclusion, employee retention, among others- and governance issues -such as corruption, lobbying, transactions between related parties and the approval of risk maps that consider sustainability risks and those arising from climate change. –
- Directors Committee: As of June 2020, this Committee -constituted by independent directors- together with relevant management executives, supervises and follows up on the main sustainability issues. Some of the topics addressed include the Sustainability Plan and its guidelines, the general structure of the Sustainability Report, specific matters related to environmental issues, climate change, biodiversity or social performance, health and safety, and career development, and others related to governance, such as transparency, business relations and human rights, among others. The Committee also analyzes and evaluates the evolution of best practices related to corporate sustainability and the company's positioning in the main Environmental, Social and Governance (ESG) rankings. The Investor Relations Management - together with the Sustainability Management - also informs the Committee about the trends of Socially Responsible Investors and the company's relationship with them.
- Chief Executive Officer and Chairperson of the Board of Directors: Both the Chief Executive Officer and the Chairperson of the Board of Directors of the Company are responsible for defining and implementing the sustainable business model, determining guidelines for the management of the energy transition, driving carbon-free energy production, and promoting business practices that consider the expectations of the different stakeholders. The chairman of the board of directors does not serve as an executive officer of the Company.



# **Sustainability Management**

102-29

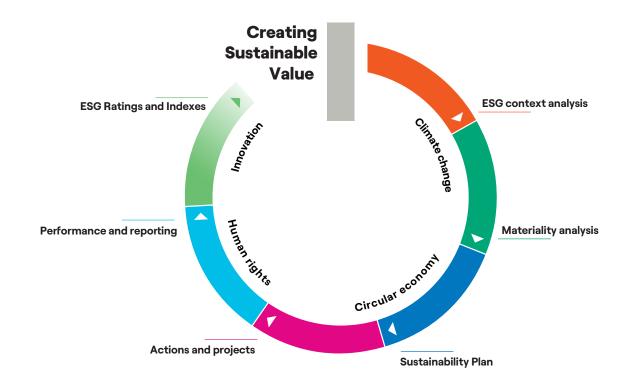
The Sustainability and Community Relations Management, which reports directly to the Chief Executive Officer, manages the Sustainability and Innovation Areas, in accordance with Enel Group guidelines. S/he also presents the results of business indicators that measure the Company's ESG performance to the Board of Directors on a quarterly basis. These indicators are defined in accordance with a three-year Sustainability Plan which is updated annually according to changing business objectives and goals focused on the **energy transition**, always striving to achieve Net Zero and face the challenges of electrification.

To measure the real usefulness and acceptance of the Sustainability Reports disseminated to relevant stakeholders and society in general, this organizational unit also presents a quarterly report to the Board of directors, which includes:

- The analysis of visits to the Company's Sustainability Report website, in accordance with milestones of public interest relevant to Enel Chile.
- The valuation of public information based on the Company's positioning in the different ESG indexes and evaluators, such as DJSI (Dow Jones Sustainability Index), MSCI (Morgan Stanley Capital International), FTSE4 Good, Sustainalytics, ISS and Moody's ESG solutions, among others.

Generating value for all stakeholders is achieved through a process that considers the analysis of the environmental, social and governance context, and prioritizes stakeholders according to a materiality analysis. Both elements are reflected in the Company's Sustainability Plan and in the consequent projects and actions that stem from it. Annual results are reported in the Integrated Report, in the Sustainability Report and in other means of public information incumbent to the Company's ESG performance. The feedback from stakeholders who analyze or evaluate the Company's ESG performance constitutes the inputs and areas covered by the new Sustainability Plan. It is therefore a process of continuous improvement fed by stakeholders and which relies on the construction of a network of institutions and organizations with which Enel Chile works, leverages the circular economy and innovation as growth accelerators, and sees human rights as a condition for the sustainability of its business.

This continuous improvement process hopes to influence Enel Chile to become an ever more competitive company in terms of its ability to mitigate environmental, social and economic risks and, at the same time, create sustainable value in the long term for its shareholders and all stakeholders with whom it interacts.







# **Context and trends**

# **Global situation**

After the second year of the pandemic generated by Covid-19, the aftermath of the crisis has not been long in coming, and despite the efforts made, recovery has been uneven and inequitable. In this context, global actions to achieve the commitments of the 2030 Agenda seem increasingly distant, considering that many countries are not yet sufficiently oriented towards achieving these goals. In this sense, the current crisis threatens decades of progress in various areas, further delaying the transition to green and inclusive economies, a phenomenon that is boosted by the rise in fossil fuel prices due to varying interest rates among Eastern European countries. Despite all of this, and even though the end of the crisis is not yet in sight, the world's attention is now focused on how to rebuild and redefine the way we produce, consume, socialize and interact.

# **2021 trends**

The United Nations Regional Collaboration Platform unites regional efforts by creating and strengthening partnerships to achieve the 2030 Agenda and reach the Sustainable Development Goals (SDGs). In this context, this platform has raised some of the key issues that marked 2021, which required immediate support and action, and took them to a global level. Among them, the following are particularly relevant:

### **Human mobility**

Refugees continue to be affected by discrimination, xenophobia, lack of job opportunities, social security and by policies of deterrence of migratory movements that impact on their human rights in the context of human mobility.

### **Gender equality**

The pandemic negatively affected progress towards gender equality, as it has resulted in the loss of countless jobs. In addition, violence against women and girls increased, weakening the most vulnerable.

## **Economic outlook**

The OECD forecasts a global GDP growth of 5.8% in 2021 and about 4.5% by 2022, concluding that the global economy has returned to pre-pandemic levels. While there is an economic recovery, economic growth in some countries is not expected to return to pre-pandemic levels before 2022 or 2023.

### Inequity in health care

In mid-2021, about 68 vaccine injections per 100 people were administered in Europe and North America, compared with fewer than two in sub-Saharan Africa.

# 2021, one of the seven warmest years ever to be recorded

According to the World Meteorological Organization (WMO), the global average temperature in 2021 was 1.11°C above pre-industrial levels (1850-1900), a scenario that positions 2021 as the seventh consecutive year since 2015 in which the global temperature has exceeded pre-industrial levels by more than 1°C.



For its part, the Environment program of the United Nations (UN), through the Emissions Gap Report 2021, points out that climate change has intensified in the last year, and that time to reverse the situation is running out. The report reviews where greenhouse gas emissions are projected to be in 2030 and where they should be to avoid the worst effects of climate change.

To mitigate this future scenario, according to the report, reducing methane emissions from the fossil fuel, waste and agriculture sectors could help close the emissions gap and reduce warming in the short term. Among other aspects along these lines, it stresses that carbon markets can deliver real emissions reductions if they have clearly defined rules, are designed to ensure that transactions reflect real emissions reductions, and are backed by agreements to track progress and provide transparency.

# Reports of the Intergovernmental Panel on Climate Change (IPCC)

In August 2021, Working Group I of the Intergovernmental Panel on Climate Change (IPCC), which evaluates the scientific aspects of the phenomenon, anticipated that climate change is widespread, rapid and intensifying. In its sixth report on climate change, entitled <a href="The Physical Science">The Physical Science</a> <a href="Basis">Basis</a>, the group of more than 234 scientists pointed out that the observed changes in climate are unprecedented in thousands, if not hundreds of thousands of years, and some of the changes that are already occurring, such as the

continued rise in sea levels, will not be reversed for several centuries or even millennia.

Among the key points of the report, it specifically states that the warming of the last 170 years is attributable to human action and that in all the scenarios considered, the average global temperature is expected to be 1.5°C or 1.6°C higher than pre-industrial levels by 2030, a decade earlier than expected.

### **ARCTIC TEMPERATURE**

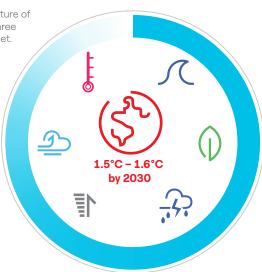
The increase in the average temperature of the coldest days is expected to be three times the global average for the planet.

# CARBON SINKS BECOME SATURATED

The capacity of forests, soil and oceans to absorbr  ${\rm CO_2}$  will weaken.

### THE DANGER OF METHANE

 ${\rm CH_4}$  levels in the atmosphere (the second most important GHG after  ${\rm CO_2}$ ) are the highest recorded in the last 800 thousand years.



# SEA LEVEL RISE AND "IRREVERSIBLE" ICE MELTING

Changes that would be irreversible for "centuries and millennia". The sea could rise up to one meter by 2100.

# **TURNING POINTS**

Disintegration of glaciers, melting of permafrost, transformation of the Amazon, are some of the unknown dangers that "cannot be excluded."

### **EXTREME WEATHER EVENTS**

Increases in heat waves, storms, hurricanes, tornadoes, among others.





This UN report ratifies that the current drought in Chile is the most serious in the last centuries, since it follows a period of 13 consecutive dry years with nearly 80% of precipitation

deficit in the Metropolitan Region. This phenomenon could worsen if the thaws and the loss of glacier volume in the Andes Mountains continue, as this causes reductions in river flow.

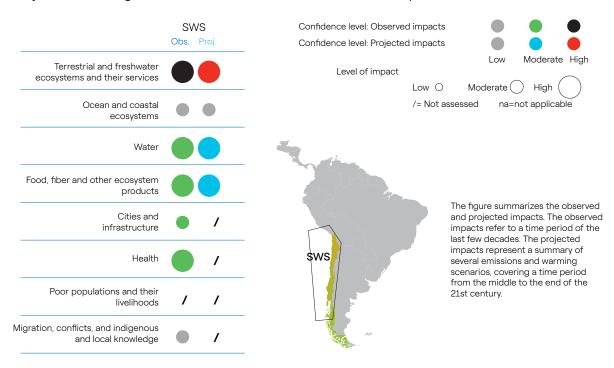
# **Projected impacts in Chile**

In February 2022, IPCC Working Group II published the <u>sixth</u> report on the impacts of climate change from the point of view of adaptation and vulnerability of socioeconomic and natural systems, sharing evidence of the effects experienced in relation to access to water and food, impacts on the oceans, vegetation, ecosystems and the human species in general. It complements the 2021 report, which already warned of boundaries being crossed and the need to shift actions. The new document details the devastating effects that this would have in the short, medium and long term, serving as a guide in making decisions that allow for adaptation and mitigation of these impacts.

Among the key actions to be taken to achieve adaptation, the 2022 report highlights those that originate in cities and urban centers and involve the private sector, civil society and other stakeholders. Such an opportunity to promote resilient development in cities includes the implementation of integrated and inclusive planning, and the integration of climate change concerns into urban infrastructure investments. The report highlights that safeguarding biodiversity and ecosystems translate into multiple benefits for the health and wellbeing of people living in these environments, including the most vulnerable communities.

# Summary of observed and expected impacts in the main sectors of Chile

Projections averaged between scenarios and the 21st century





# **National Context**

## **Pandemic**

In 2021, 93.95% (14,281,016) of the adult population in Chile received a single and first dose, and 92% (13,985,043) completed their vaccination scheme, placing Chile among the top 10 countries that have vaccinated more than 70% of the target population.

Our ESG performance

- A total 10,539,029 booster doses were applied.
- Vaccination of children and adolescents reached 84.7% of the target population with the first dose and 66.6% with the second dose.
- By the end of 2021, the country had a total of 1,806,494 cumulative Covid-19 cases.

### **Economical**

- In the context of the pandemic, Parliament approved three pension fund withdrawals, each equivalent to 10% of each member's pension savings.
- This boosted private consumption by 33%, which translated into Gross Domestic Product (GDP) growth, which was among the highest in the world due to higher domestic spending.
- To contain inflation of 4.7%, the Central Bank raised the interest rate by 125 basis points to 4.0%.
- The cumulative increase in the **Consumer Price Index** (CPI) in 2021 was 7.2%.
- Chilean economy grew by 12% in 2021, its highest historical record, after an Imacec (Monthly Index of Economic Activity) of 10.1% in December

# **Energy**

- The Ministry of Energy published the Regulation of Transmission Systems and Transmission Planning in 2021, which establishes the provisions for open access and tenders for expansion works, as well as the regulation of qualification, valuation, pricing and remuneration of transmission facilities.
- The Ministry also launched the Electromobility Strategy, which seeks to accelerate its development in Chile, in line with international goals, and establishes that only electric cars will be sold by 2035.
- The National Energy Policy (PEN, by its acronym in Spanish), a roadmap for the development of the sector until 2050, was updated, which sets out the country's vision for the future of the industry and its impact on the lives of Chileans.
- The Ministry started to develop its Long-Term Energy Planning, whose objective is to plan the country's energy future for the next 30 years.
- The Climatescope 2021 report, prepared by Bloomberg New Energy Finance, recognizes Chile as the best country to invest in renewable energies in the Americas, surpassing Brazil, Canada and the United States.

## **Political**

- Due to the citizen demands raised in the "Estallido Social" (social upheaval) of October 2019, in 2021, the drafting of a new Magna Carta began, for which a Constitutional Convention of 155 members was elected. To be proclaimed, the new constitution needs a final validation by vote in 2022.
- In July 2021, there were presidential primary elections; in November, presidential (first round), parliamentary and regional councilors' elections; and finally, on December 19, the presidential run-off election was held.
- With 55.8% of the votes, the Apruebo Dignidad candidate, Gabriel Boric, was elected as the next president of the Republic of Chile, being the candidate with the highest number of votes received in the history of the country, and the youngest to chosen for office.

## **Social**

- The Casen Survey (National Socioeconomic Characterization Survey) 2020 showed an increase in the income poverty rate by 10.8%, and extreme poverty by 4.3%, which translates into 2,112,185 and 831,232 people living below the poverty and extreme poverty lines, respectively.
- In the context of the pandemic, the government took mitigation measures, such as the creation of a job retention plan, hiring subsidies, Bono Clase Media (Middle Class bonus), Emergency Family Income (IFE, by its acronym in Spanish), solidarity loans, Christmas bonus, produce boxes, guaranteed minimum income, among others.
- 2021 closed with an unemployment rate of 7.3%, almost three percentage points lower than in 2020

## Climate change

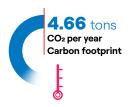
- Chile presented its Fourth National Communication on Climate Change to the United Nations Framework Convention on Climate Change (UNFCCC), a document that details the progress made in the management of the climate crises, highlighting vulnerability points and adaptation tactics in the face of current climate threats.
- Chile also presented its Long-Term Climate Strategy (LTCS), a roadmap promoted by the Ministry of the Environment that establishes specific objectives and goals for Chile to reach Net Zero by 2050 at the latest.
- Chile participated in the COP26 in Glasgow, where more than 40 countries agreed to close their coal-fired power plants between 2030 and 2040.





# **Environmental context**







For further information, visit the National Environmental Information System.

# Climate change in Chile

The climate crisis affecting Chile and the world is one of the greatest challenges facing the country today. Although the country contributes with a minimum percentage to the emission of global Greenhouse Gases (GHG), it is very vulnerable to their impacts. Therefore, at the national level, moving towards climate change mitigation and adaptation is crucial since its consequences are widespread and are intensifying rapidly.

To face this scenario, experts recommend a substantial and sustained reduction of carbon dioxide ( $\rm CO_2$ ) and other GHG emissions. In this line, in November 2021, within the framework of COP26, almost 200 countries, including Chile, adhered to the Glasgow Climate Pact, with the purpose of advancing towards the reduction of polluting gases by 45% by 2030, with respect to 2010 levels; and to achieve "net zero emissions" of  $\rm CO_2$  by 2050. The document highlights the failure to fulfill previous commitments to curb global warming and takes up the objectives established in the 2015 Paris Agreement.

At the meeting, Chile also joined the "Glasgow Agreement on Zero Emission Vehicles", acquiring the commitment, together with 30 other countries, to eliminate combustion cars by 2035, which covers almost 15% of the world automobile market.

Another highlight of the 26th meeting was the Global Methane Commitment, an effort by more than 30 countries, led by the United States and the European Union, to reduce methane emissions by 30% by 2030.

# **Nationally Determined Contribution (NDC)**

Chile ratified the Paris Agreement in February 2017 and additionally, in April 2020 –in response to the requirements of this treaty to update the commitments every five years – formally presented the update of your Nationally Determined Contribution (NDC by its acronym in English)

## What are NDCs?

The Nationally Determined Contribution (NDC) corresponds to a series of voluntary commitments to reduce greenhouse gas (GHG) emissions by 2030 and address the impacts of climate change.

- The NDC also responds to the major requirements of the scientific community and contemplates five areas: social pillar of just transition and sustainable development, mitigation, adaptation, integration, and means of implementation.





#### **Mitigation**



#### **Absolute emissions (without forestry sector)**

Our ESG performance



Commits to a GHG emissions budget not to exceed 1,100 MtCO<sub>2</sub>eq, between 2020 and 2030, with a maximum 2020 and 2030, with GHG emissions peaking in 2025 and GHG emissions by 2025, and to reach a GHG emissions level of 95 MtCO2eq by 2030.

GHG emissions of 95 MtCO2eq by 2030.

#### Black carbon (short-lived climate pollutants)

Commits to reduce at least 25% of total black carbon emissions by 2030. Total black carbon emissions by 2030 (2016 baseline).



#### **Adaptation**











#### **Plans and instruments**

including the updating of the National Plan and sectoral adaptation plans, with a gender focus and determination of the costs of inaction.

#### Areas of greatest urgency for climate action

with a focus on water and sanitation and implementation of the National Disaster Risk Management Policy.



#### Integration





- variables:
- Land-use change and forestry (LULUCF)
- Transversal to ecosystems

Circular economy

Oceans



### **Means of implementation**















Consider the development of a strategic vision aligned with the goal of emission neutrality and greater resilience to 2050, contributing to achieving the NDC objectives.

#### **Conditions for implementation**

- Capacities
- Technology Transfer
- Financing



#### Social



















The unprecedented incorporation of the social pillar of Just Transition and Sustainable Development seeks to enhance the synergy between Chile's climate commitments and the national agenda, clearly evidencing the close link between the climate and socio-environmental dimensions.

#### It integrates the following criteria:

- Just transition
- Water security
- Equity and gender equality
- Cost-efficiency
- Nature-based solutions
- Consideration of types of knowledge
- Active participation

#### Información de apoyo para elaboración de infografía.

https://cambioclimatico.mma.gob.cl/contribucion-determinada-ndc-videos/

https://cambioclimatico.mma.gob.cl/wp-content/uploads/2020/11/infografia-NDC-CHILE-actualizada.pdf





#### **Water Crisis**

Climate change increases water risk to the extent that it accentuates the occurrence of social, environmental and economic damages. By December 2021, Chile had a total of 184 municipalities declared with extreme water shortages, concentrating 47% of the population. According to figures of the recent Water Report of the General Directorate of Water (DGA, by its acronym in Spanish), the decrease in rainfall in large cities reached a 98% deficit compared to normal years. Experts' projections are critical: in the absence of a global policy, the country will face conflicts in the next five years. Additionally, there is a deficit of more than 50% in the amount of snow in all regions of central-southern and central-northern Chile.

Although Chile has one of the largest reserves of glaciers in the world, with 3.8% of the total area of the planet, a study conducted by the Universidad de Chile Departments of Geology and Civil Engineering and the Advanced Mining Technology Center (AMTC), showed that by 2020 the glaciers of the Valparaíso, Metropolitan and O'Higgins regions were increasingly exposed to mass loss processes due to global warming.

#### **Biodiversity**

The "National Landscape Restoration Plan" is the instance that promotes landscape restoration to recover biodiversity, ecosystem functionality and the provision of ecosystem goods and services. All of this, with a view to increase the resilience of territories and communities in the face of climate change and other degradation <u>factors</u>. This policy is one of the nature-based climate solutions that allows Chile to move towards landscape restoration as a resilient and low-emission rural development option.

#### **Circular Economy**

The <u>Circular Economy Roadmap</u> proposes goals and initiatives that are part of the monitoring framework for Chile's transition to a circular economy and that are in line with the 2020 NDC commitments.

To achieve these goals, the Company proposes a series of 28 initiatives, each containing different actions and grouped around four main lines of action: circular innovation, circular culture, circular regulation and circular territories.

#### Circular economy roadmap goals

Indicator	2030 Goal	2040 Goal
1st Goal: Job creation.	100,000 new green jobs	180,000 new green jobs
2nd Goal: Per capita municipal waste generation.	10% Decrease	25% Decrease
3rd Goal: Total waste generation per GDP.	15% Decrease	30% Decrease
4th Goal: Material productivity.	30% Increase	60% Increase
5th Goal: Overall recycling rate.	40% Increase	75% Increase
6th Goal: Municipal solid waste recycling rate.	30% Increase	65% Increase
7th Goal: Recovery of sites affected by illegal disposal.	50% Recovery	90% Recovery



# "Transform Circular Economy"

In June 2021, the Ministry of the Environment, together with the Corporación de Fomento de la Producción (Corfo, Chile's Agency for the promotion of production), launched the "Transforma Economía Circular" program. This initiative aims to accelerate circularity in Chile -mainly among national companies- by promoting sustainable patterns of production and consumption that will contribute to the mitigation and adaptation to climate change.

In this program, Corfo works with 14 of the 28 initiatives included in the "Circular Economy Roadmap", mainly those with a productive and territorial focus, through a public-private collaboration that will promote technological development, innovation and the generation of circular organizations.

#### REP Law No. 20,920 goals come into effect

On May 17, 2016, the Extended Producer Responsibility Law, known as REP Law, was enacted. Published a month later, this bill promotes the decrease in waste generation and encourages recycling. To this end, it makes producers and importers responsible for financing the proper management of the waste generated by the so-called "Priority Products" that are sold in the domestic market. The products considered by this law are oils and lubricants, electrical and electronic equipment, batteries, containers and packaging, and tires.

Among the relevant milestones for 2021 is the publication of a regulation that establishes collection and recovery goals and other obligations associated with containers and packaging, DS N°12, and the "Regulation for Tires", the latter of which will formally initiate the obligations established in the Law, setting a 25% goal for recycling companies by 2023, a percentage that will increase until 90% of tires from smaller vehicles to be recovered by 2030. The regulation for containers and packaging was also published at the beginning of 2021, but its first goals must be met within 30 months, which will allow the country to move from the current 12.5% recycling of household containers and packaging to 60% of these elements in the mid-term.

To achieve these waste recycling and revaluation goals, the participation of companies and citizens is essential. For this reason, Enel Chile is constantly studying and analyzing market opportunities that allow the valorization of its waste, as well as promoting various initiatives within the company related to the conscious consumption of products and food.

The circular economy has had a strong and rapid development in recent years and is now considered the key driver for developing a sustainable economic model.

For <u>Enel</u>, this model provides a new strategic and operational paradigm capable of combining innovation, competitiveness and sustainability, with the aim of responding to the main current environmental and social problems.

#### **Energy Transition**

Chile has committed to reduce its greenhouse gas emissions as a climate action, moving towards sustainable development. Achieving this transition requires actions that allow for an energy efficiency path and an increase in the use of renewable energies. For this reason, Chile's solar and wind sectors have quintupled their generation capacity over the last six years, and it is expected that, by 2030, 70% of Chile's energy matrix will be renewable, clean and sustainable.

Through its document Energy 2050: Chile's Energy Policy , the Ministry of Energy seeks to achieve and maintain the reliability of the entire energy system, while complying with the criteria of sustainability and inclusion, which contributes to the competitiveness of the country's economy. To achieve this, it is necessary to develop various measures and action plans that are supported through 4 pillars: (1) Security and Quality of Supply; (2) Energy as a driver of development; (3) Environmental Compatibility; and (4) Energy Efficiency and Education.





#### Chile's energy policy



Reliability

PILLAR 1
Safety and
Quality
of Supply

Inclusiveness

PILLAR 2
Energy as a
Driver of
Development

Competitiveness

PILLAR 3
Environmentally
Compatible
Energy

Reliability

PILLAR 4
Energy Efficiency
and Education

#### Main 2050 goals

#### Main goals 2050



The average unavailability of electricity supply, without considering extraordinary circumstances, does not exceed one hour/year in any locality in the country.

2



GHG emissions from the Chilean electricity sector are consistent with the limits set by science at a global level and the corresponding national reduction target, making a significant contribution towards a low-carbon economy.

3



Ensure universal and equitable access to modern, reliable and affordable energy services for the entire population. 4

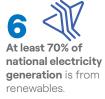


The regional and local planning and land use instruments incorporate the guidelines of the Energy Policy.

5



Chile is among the 3 OECD countries with the lowest average electricity prices at a residential and industrial level.



Energy consumption growth is decoupled from gross domestic product growth.



buildings meet
OECD standards for
efficient
construction and
have smart energy
management and
control systems.

9 100% of the main categories of

categories of appliances and equipment sold in the market correspond to energy-efficient equipment. 10 A

The energy culture is in place at all levels of society, including producers, retailers, consumers and users.





#### Acceleration of the Decarbonization Plan for the energy matrix

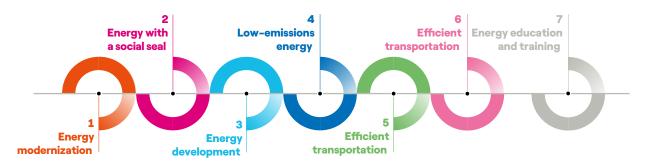
- One of the commitments that the Chilean government has undertaken is to convert the national energy matrix to renewable and environmentally friendly sources.
- In 2021, the Executive announced the early closure of four coal-fired power plants by 2025. The measure aims to reduce the emission of around six million tons of CO<sub>2</sub>.
- With the progress of this plan, only 10 of the 28 coal-fired plants will remain in operation between 2026 and 2040, equivalent to 20% of the current installed capacity.

#### **Energy route**

At the end of 2021, the Ministry of Energy published the National Energy Efficiency Plan, which contains goals and concrete measures to reduce Chile's energy intensity. This document considers several participatory processes, among which the public consultation, enabled until December 2021, is the most conspicuous.

The Plan provides a strategic framework for the development of energy efficiency in Chile, which will make it possible to realize the potential for energy savings and achieve carbon neutrality by 2050. This is in line with the policies developed by the Ministry of Energy and the State regarding sustainability.

While this Plan is in its final phase, the current strategy being carried out is the Energy Route 2018-2022, which through its seven axes and ten mega commitments, seeks energy modernization with a citizen and participatory perspective.







#### 10 mega commitments

1

Draw up a map of the country's energy vulnerability, identifying families that do not have electricity and other energy services, with a view to narrowing the existing gaps. 2

Modernize the energy institutional framework to increase governmental efficiency and provide better service to the public, particularly the Superintendency of Electricity and Fuel and the Chilean Nuclear Energy Commission.

3

Reduce the environmental processing time of projects under the +Energy Plan by 25%, compared to the timeframes recorded in the last four years.

4

Reach four times the current capacity of small-scale renewable distributed generation (less than 300 KW) by 2022. 5

Increase the number of electric vehicles circulating in our country by at least 10 times.



6

Modernize the regulation of electricity distribution by means of a participatory process, so as to capture the new realities of the energy sector and facilitate its implementation in an efficient and competitive manner.

7

Regulate solid biofuels such as firewood and its by-products, granting the Ministry of Energy the necessary powers to establish technical specifications and regulations for the sale of firewood in urban areas.

8

Establish a regulatory framework for energy efficiency that generates the incentives needed to promote efficient energy use in sectors with the highest consumption (industry and mining, transportation and buildings), and create a true energy culture in the country.

9

Initiate the energy matrix decarbonization process by developing a timeline for the phase-out or conversion of coal-fired power plants, and the introduction of concrete measures in electromobility.

10

Train 6,000 operators, technicians and professionals, developing competencies and skills in the management and sustainable use of energy and skills in the electricity, fuels and renewable energy sectors, certifying at least 3,000.



#### **Energy poverty**

Even though the electrification rate in Chile is over 99%, there are still many people who continue to live in energy poverty. This, considering accessibility and the effects of a safe, reliable and quality supply. Considering this,

energy poverty continues to be a key challenge within the global energy agenda, in line with SDG 7, since access to energy conditions people's development, both socially and economically.

#### A household is in ENERGY POVERTY when:

It lacks equitable access to high quality energy services to cover basic and fundamental needs that support the economic and human development of household members.

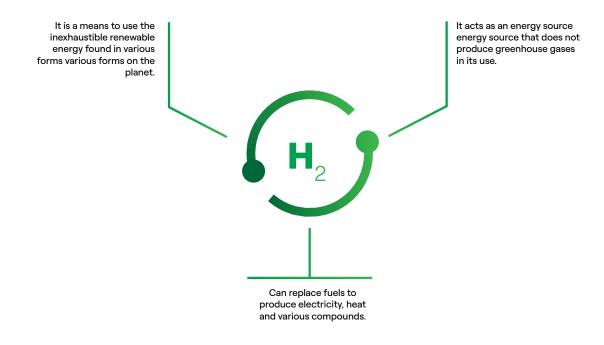


#### **Energy Poverty Dimensions**

ACCESS	QUALITY	EQUITY
Physical and technological thresholds that limit access to electrical services for cooking and hygiene, lighting, electrical devices, and household temperature control	Tolerance thresholds that define access and equity. It considers standards of adaptability, reliability, and safety in terms of indoor pollution	Economic thresholds regarding over-expenditure on energy, under-expenditure on energy, and the ability to invest in the home

#### **Green Hydrogen**

The quality of the country's wind and solar resources will make it possible to produce green hydrogen at the most competitive cost on the planet, making Chile the world leader in the production of this fuel by <u>2030</u>.







#### **Regulatory Context**

The country's energy future and the reduction of greenhouse gas emissions took a leading role in terms of regulatory changes and new laws enacted in 2021. The definition of new scenarios related to decarbonization, the massive integration of renewable energies and sustainable electrification are part

of the issues addressed in these new regulations aimed at achieving carbon neutrality by 2050.

The following are some of the most relevant regulations enacted and amended during 2021.

#### **Relevant regulations**

Basic Services Law N°21.340, (May 2021) Provides for extraordinary measures to support customers and end-users of sanitary services, electricity and the gas network, such as the suspension of cut-off for debts and installment payment agreements for vulnerable customers. The effects of these regulations were extended from March 18, 2020, to December 31, 2021.

# Law 21.305 Energy Efficiency (February 13, 2021)

Encourages the rational and efficient use of energy resources by companies with the highest energy consumption in sectors such as mining, industry and transportation, among others. Also, it mandates the implementation of management systems to save energy, in addition to making energy use transparent through annual reports detailing consumption. This law is expected to reduce energy intensity by 10% by 2030.

#### National Energy Policy (March 9, 2022)

It defines a shared vision for the energy sector that guides the long-term work of both the Ministry of Energy and the private sector. In this new version, green hydrogen and electromobility are incorporated as key elements to reduce emissions in the country's main productive sectors, and thus achieve carbon neutrality by 2050.

#### Framework Law on Climate Change (Approval March 9, 2022)

It establishes carbon neutrality targets for the year 2050, and a series of national and regional action plans to reduce emissions.

#### Residential Energy Conversion Modifications (Resolution No. 238 July 9, 2020)

It seeks to incorporate a direct generator-customer relationship, to offer discounts on energy tariffs and the installation of consumption equipment to replace the use of firewood.

# Electricity Portability Bill (September 20, 2020)

A discussion that promotes introducing the figure of brokers and the gradual release of regulated consumption with sustainability criteria, prioritizing the most polluted areas.



#### Regulatory changes limiting the use of fossil fuels in line with the Climate Change Framework Law

During 2021, parliamentary initiatives have been presented to advance the process of decarbonization of the electricity matrix. A more recent bill goes even further and prohibits the operation of gas and diesel power plants. These processes have been addressed by the unions, who have presented their perspective in Congress and in media interviews.

#### Technical standard for liquefied natural gas (LNG) operation. (Approval of modification October 13, 2021)

- Modernizes energy regulation regarding the operation of gas-fired power plants and adapts it to new scenarios such as decarbonization, climate change, penetration of new generation technologies, among others.
- Defines special conditions, as in the present drought, in which companies that generate based on liquefied natural gas are encouraged to have all the gas necessary to provide the necessary supply and avoid an excessive use of diesel.

# Power Transfer Regulations (October 5, 2021)

- Establish an efficient and sustainable standard for capacity payments that is "applicable to any technology and that such allocation is based on the contribution made by these units to the sufficiency of the system."
- Corrections to the processes that allow energy transfers between generating companies.

#### Bill: Promotes electric energy storage and electromobility. (November 23, 2021)

Seeks to promote the development of electric energy storage systems, through the participation of pure storage systems in the electricity market, enabling the connection of infrastructure that combines generation and consumption. In addition, this bill proposes incentives for the purchase of electric vehicles, as well as allowing new business models for electromobility, which will lead the country towards international levels of electric vehicle sales.





# **Defining priorities**

102-21 | 102-40 | 102-42 | 102-44 | 102-46

# **Double materiality vision**

Double materiality is a concept introduced by the European Commission in its 2019 Non-Financial Reporting Guidelines, which alludes to the fact that disclosed non-financial information should comprise indicators and information, to the extent that "such information is necessary to understand the development, performance, position and impact of the company's activities."

On the one hand, **financial materiality or "inward impacts"** – which is of greater interest to investors and whose definition is attributed to the Sustainability Accounting Standards Board (SASB). This factor makes it possible to identify and evaluate those sustainability issues that influence the company's financial value in the short, medium and long term.

On the other hand, the **environmental and social materiality or "outward impacts"**, prioritized for the broadest set of stakeholders, such as consumers, society organizations, local communities, among others, whose definition can be attributed to the Global Reporting Initiative (GRI), and it allows to identify and evaluate these impacts on the economy, the environment and people.

The concept of dual materiality will be introduced at a group-wide level in the 2022 materiality analysis process, to describe the Company's performance in terms of impact on these groups and the environment and, at the same time, show how these impacts influence the ability to create economic value.





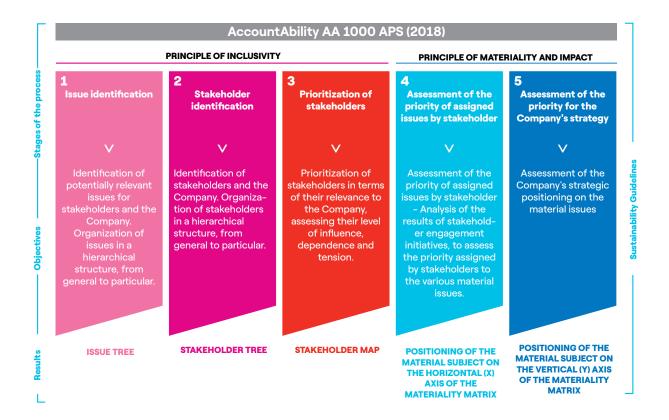
#### **Materiality analysis**

To determine the content of this Sustainability Report, the materiality process was carried out, according to the context and evolution of the main economic, environmental, social and governance variables. Each year, Enel Chile determines the material issues for its management, considering the expectations of its stakeholders or interest groups, as well as the Company's priorities. To carry out this process, the Company and each of its subsidiaries implement this methodology developed by Enel Group under the guidelines of AccountAbility's international standard AA 1000 APS.

Our ESG performance

To carry out a transparent process and generate good practices through all the stages that involve both the different areas of the Company and the various stakeholders, data collection and analysis was managed through a computer system that is specific to the Enel Group.

The materiality analysis process consisted of five stages, as defined below:









# **Identifying issues and stakeholders**

102-40 | 102-42 | 102-46 | 103-1

Material issues analyzed in the 2021 period were defined under different key factors, such as the Company's policies and standards of conduct, the views and opinions of different stakeholders, relevant issues raised by sustainability rating agencies, and the Company's strategy, among others.

Each year, the different areas of the Company that are directly related to stakeholders are involved in the process. To maintain and guarantee a constant synergy with the

sustainability context in which Enel Chile is involved, the Company's areas are responsible for identifying and updating the significant groups, keeping an updated basis.

This methodology allows for an annual update of the results obtained, while the material issues and stakeholder categories are analyzed every two years, evaluating a possible update of these depending on the context in which the Company finds itself.







#### **Assigning priorities to stakeholders**

102-40 | 102-42 | 102-43 | 102-46 | 102-47

Enel Chile views stakeholders as being at the center of its sustainable business strategy. Carrying out this process requires the active and constant participation of the different stakeholders, both internal and external, including senior management. To this end, it is necessary to maintain a continuous dialogue with these groups, which is essential to generate collaboration, development and trust. The relevant groups are involved through various tools to collect their opinions and expectations, such as surveys and interviews, among others.

Knowing stakeholders' expectations is a cornerstone of Enel Chile's sustainability approach, which seeks to identify, mainly, enablers that promote sustainable, competitive and safe energy models, as well as to develop innovative, comprehensive and pioneering perspectives to anticipate developments, manage risks and seek differentiation. Good management and ongoing dialogue with stakeholders contribute to:

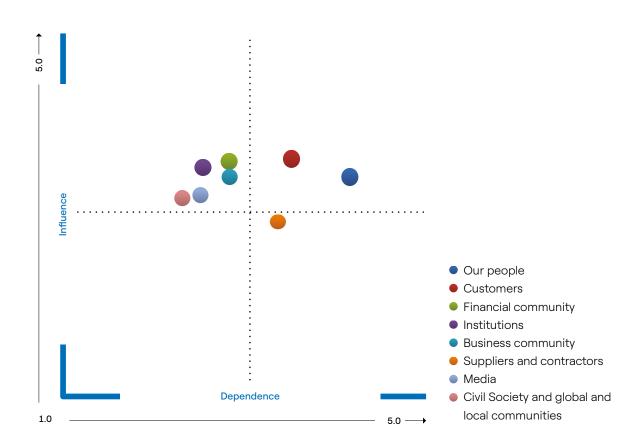
- Improve management of risks and opportunities
- Early identification of relevant trends and issues
- Enhance credibility and trust, enabling the creation of synergies
- Support decision-making processes
- Find opportunities for improvement and business opportunities.
- Ensure that stakeholders have sufficient capacity to engage (e.g., when and how to introduce capacity building measures).

Via the participation of different Company business and corporate units, in 2021 stakeholders were prioritized according to their relevance to the Company. Namely, they were prioritized according to two variables:

**Dependency:** Groups or individuals who are directly or indirectly dependent on the activities, products or services of the organization and its associated functions.

**Influence:** Groups and individuals that may have an impact on the organization or groups of strategic interest for the decision-making process.

#### Influence - Dependency Matrix Enel Chile Stakeholders









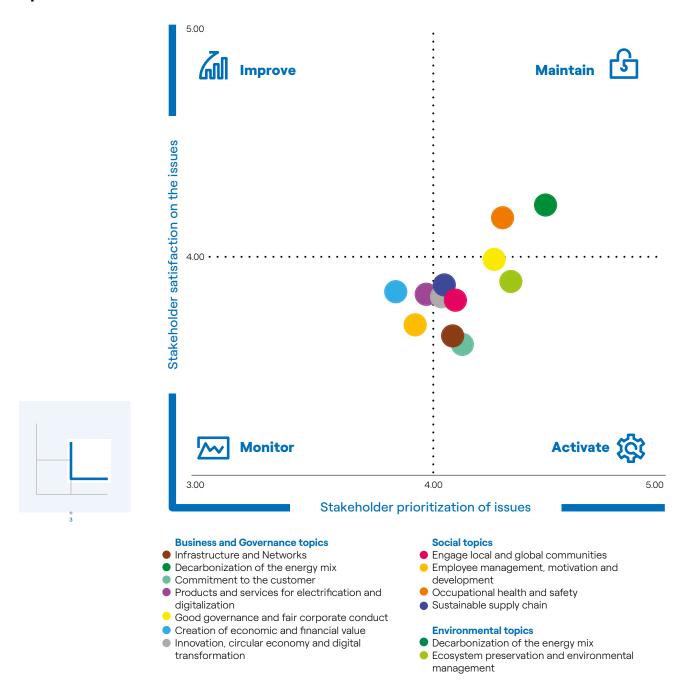
#### **Evaluation of the priority of the issues assigned by stakeholders**

102-21 | 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47 | 103-1

Based on direct surveys of stakeholders, supplemented with secondary sources of information, the priority and level of satisfaction of each material issue is identified for each stakeholder. The results obtained allow us to generate an overview of stakeholder expectations and identify the issues on which the company should focus its strategy.

These results allow us to build an "Expectations Matrix", which reflects that, for most of the issues analyzed, the priority for stakeholders is higher than the level of satisfaction, i.e., they are mostly in the "Activate" quadrant. Considering this, the Company should focus its actions on generating greater attention to these issues, to increase stakeholder satisfaction.

#### **Expectations Matrix**





During 2021, the results of a series of initiatives carried out during the materiality analysis process were analyzed for all stakeholders identified by the Company: business community, customers, financial community, institutions, civil society and local communities, media, suppliers, contractors, and Enel Chile employees. Each of them expressed their priority regarding material issues, which is reflected in the matrix below:

	Business community	Civil society and local and global communities	Customers	Financial community	Institutions	Media	Company people	Suppliers and contractors
Economic and financial value creation	•	•	•	•	•	•	•	•
Good governance and equitable corporate conduct	•	•	•	•	•	•	•	
Commitment to the customer	•	•	•	•	•	•	•	
Products and services for electrification and digitalization	•	•	•	•	•	•	•	•
Decarbonization of the energy mix	•	•	•	•	•	•	•	•
Innovation, circular economy and digital transformation	•	•	•	•	•	•	•	•
Infrastructure and networks	•	•	•	•	•	•	•	•
Ecosystem preservation and environmental management	•	•	•	•	•	•	•	•
Employee management, motivation and development	•	•	•	•	•	•	•	•
Occupational health and safety	•	•	•	•	•	•	•	•
Sustainable supply chain	•	•	•	•	•	•	•	•
Engaging local and global communities	•	•	•	•		•	•	•

Priority values from 1.0 to 2.5
Priority values from 2.6 to 4.0
Priority values from 4.1 to 5.0









## Evaluation of the priority for the Company's strategy in relation to the impacts generated.

102-44 | 102-46 | 102-47 | 103-1

The materiality of the different topics of the Company's strategy was obtained through a survey of the managers of the different areas of the organization. The analysis of the information collected at this stage is consistent with the guidelines established in the Strategic Plan 2022–2024, the objectives of the different business lines and the commitments that the Company has assumed through its policies and standards of conduct.

Additionally, the process generates an analysis of the impacts that the Company effects in different aspects such as the economy, environment and society. The main positive and negative impacts are identified based on an analysis of the external context, i.e., based on the priority issues for stakeholders

It should be noted that this process began as a pilot in 2019 and this methodology for identifying and analyzing impacts is still under evaluation. During 2021, the analysis was

addressed in the three most priority issues according to the assessment made by stakeholders: occupational health and safety, decarbonization of the energy mix, and preservation of ecosystems and environmental management, identifying possible human rights violations related to negative impacts and assessing the contribution to sustainable development in relation to positive impacts. To perform a more complete analysis and to continue in line with the commitments adopted by the Enel Group, the direct and indirect contribution to the Sustainable Development Goals (SDGs) of each of the identified impacts is considered. In total, six impacts were identified, one negative and one positive for each material issue included.

On the other hand, there is the "Real Response" evaluation, designed to collect and analyze all the measures implemented by the Company, to make a comparative evaluation of the company's level of coverage on priority issues, such as risk analysis, target definitions and performance study.



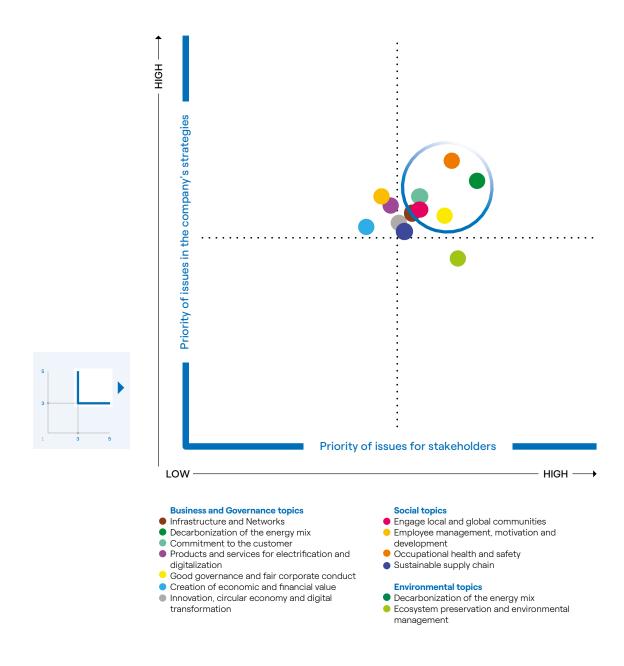
#### **Materiality Matrix**

Our sustainable progress

102-33 | 102-34

With the information collected, Enel Chile builds the "Materiality Matrix", which includes the issues that are a priority for stakeholders and, at the same time, strategic for the Company. This matrix is presented to the Board of Directors and the Director's Committee and are the

basis for defining the issues to be addressed in the Sustainability Report, which responds to the expectations of the stakeholders that guide the focus of the work of the entire Company. This is reflected in Enel Chile's Sustainability Plan, which is also influenced by the challenges posed by the current context and the SDGs.







#### **Priority material issues**

The following is a description of the priority issues for both stakeholders and the Company, which are addressed in each chapter of this Report.

Health and safety: Enel Chile has an Integrated Management System that is applied to each of the business lines. By virtue of its commitment to safety, its objective is to achieve "Zero Accidents" in both Enel workers and contractors, for which it is key to promote a safety culture. For this purpose, there is a work plan for the next three years, which is updated every year, implementing actions framed in 4 pillars: Operational control, Digitalization and analysis of processes, Culture and training, and Safety culture. In this sense, each of the Company's decisions is focused on the permanent protection of people's health, always with a preventive approach aimed at minimizing risks.

**Decarbonization of the energy matrix:** Climate change is currently one of the main challenges that humanity must face. For this reason, Enel Chile continues to advance in the development of its strategy to contribute to climate action, such as the disconnection of coal-fired units and the development of new renewable capacity. The company even took a step further in the decarbonization of its energy matrix, also contributing to the fulfillment of the Enel Group's goal for its plan to reduce direct CO<sub>2</sub> emissions.

This commitment generated an important impact on the environment, since Enel Chile became the first Chilean electric company to generate and carry out a plan to reduce direct  $CO_2$  emissions in its generation operations, being one of the first companies within the Selective Stock Price Index (IPSA) to consider and execute a plan of this type as part of its strategy.

**Commitment to the customer:** Enel Chile focuses its business model on the customer. Through its business

strategy it seeks to satisfy their needs by offering affordable products and services based on clean energy, all the while promoting an efficient and sustainable use of energy. By taking advantage of the technological evolution to provide citizens with direct energy management tools, the Company seeks to change the role of the consumer to a more proactive role of "prosumer". Likewise, for Enel Chile the quality of the relationship with the consumer is essential and in line with this, offers several channels for an effective and fair communication with its customers.

Good governance and corporate conduct: Enel Chile has a solid corporate governance structure, which operates under principles of transparency and ethical conduct, allowing it to achieve ambitious goals and mitigating governance risks. The Company operates in accordance with the most rigorous international standards and national regulations. The governance structure is constructed in such a way as to allow oversight of the impact of operations, to create value for all its stakeholders. The Board of Directors is the main governing body, leading the company's strategy and decision-making.

Engaging local and global communities: The Company operates under a sustainable business model, which establishes as its main axes the social, environmental and governance areas, including the economic one, in all the territories where it is present, with the objective of continuously creating value for all its stakeholders. To this end, it is essential to generate instances of participation, transparency and inclusion, and to jointly design sustainable solutions to the demands and needs of the communities with an understanding of the territorial context.

Enel Chile's commitment is reflected in its Sustainability Plan, where one of the pillars is community involvement. Enel Chile has aligned its work with three SDGs – 4, 7 and 8 –, which are directly related to the company's work and the needs of its communities.

During the 2021 materiality process, stakeholders were consulted on the priority they give and satisfaction level they have with each of the company's material issues. Within this consultation, questions related to human rights issues were highlighted at different levels of depth, among which are the following

- · Freedom of association and collective bargaining
- · Fair and favorable working conditions
- · Rejection of forced and compulsory labor, and child labor
- · Respect for human rights in occupational health and safety
- · Respect for human rights in the supply chain
- · Respect for the human rights of communities, indigenous and local traditional peoples

Additionally, questions were raised regarding transparent and informed dialogue with local communities for the establishment of shared goals, community access to formal complaint mechanisms, and evaluation of the impacts of new works on community health, among others.



#### **Channels of communication**

All the Company's activities are based on continuous interaction with its stakeholders, through differentiated communication channels and procedures which facilitate

a solid understanding of their needs and expectations. At the same time, a complaints channel is available to all stakeholders.

#### **PARAMETER**



**Dependence:** importance of the relationship for the stakeholder.

**Influence:** importance of the relationship for the company.

**Urgency:** time dimension of the relationship

Business community





Customers

comr	nels and type of Average frequency of participation by channel cipation / type		Main topics with high or very high stakeholder priority	Enel Chile's response to stakeholders in the chapters of this Report	
(ALL)	Direct contact	Continuous	Commitment to the customer	Quality of service and customer relations"	
29	Forums	Semiannual	Occupational health	"Occupational Health and	
223	Working groups	Continuous	and safety	Safety"	
			Preservation of ecosystems and environmental management	"Environmental Sustainability	
<u>2</u> 5	Agents	Daily	Commitment to the customer	Quality of service and customer relations"	
	Mobile Application	Continuous	Occupational health	"Occupational Health and	
AP.	Web obonnol	Continuous	and safety	Safety"	

Encuesta

Monthly

- and safetyDecarbonization of the energy mix
- "Energy transition and decarbonization"



**Financial** 

community

**Ilnstitutions** 

Civil Society and

**Local Communities** 



#### Channels and type of Average frequency of Main topics with high or **Enel Chile's response** communication and participation by channel very high stakeholder to stakeholders in the priority chapters of this Report participation / type Mobile Application Continuous • Decarbonization of the "Energy transition and energy mix decarbonization" Enel investor Continuous Preservation of "Environmental application ecosystems and Sustainability" environmental Web channel Continuous management "Ecosystems and platforms" Direct contact Daily • Products and services for electrification and digitalization Dedicated meetings Continuous උිම Investor Day Once a year 区 Roadshow Four times a year Reporting channel Continuous · Occupational health · "Occupational Health and and safety Safety" Continuous Web channel • "Energy transition and · Decarbonization of the energy mix decarbonization" Press releases Weekly · Sustainable supply • "Sustainable supply chain" Direct contact Daily chain (à) Social media Continuous Reporting channel • Decarbonization of the • "Energy transition and Continuous energy mix decarbonization" Web channel Continuous Occupational health • "Occupational Health and and safety Safety" Press releases Weekly • "Network resilience and Infrastructure and Direct contact Continuous Networks digitalization" Daily (S) Social media • Decarbonization of the "Energy transition and Aplicación Investor Continuous energy mix decarbonization" Press releases Weekly Engage local and · "Communities" global communities Direct contact Daily "Governance" · Good governance and





- 区
- Roadshow
- (8)
- Social media

Dedicated meetings Weekly

Four times a year

Continuous

- fair corporate conduct
- · Creation of economic and financial value



co	nannels and type of mmunication and rticipation	munication and participation by channel		Enel Chile's response to stakeholders in the chapters of this Report	
Ç		Continuous	Decarbonization of the energy mix	Energy transition and decarbonization"	
×	Survey	Semiannual	Preservation of	"Environmental Sustainability	
21	Cognitive interviewing	Semiannual	ecosystems and environmental management	"Governance"	
21	Forums	Monthly	Good governance and		
22	Working groups	Monthly	fair corporate conduct		
	Intranet	Continuous			
$\subseteq$	Newsletter	Continuous			
Ē	Company magazine	e Semiannual			
Ç	Reporting channel	Continuous	Occupational health and safety	"Occupational Health and Safety"	
	Web channel	Continuous	Preservation of	"Environmental Sustainability	
( E	Contactos directos	Daily	ecosystems and environmental management		
ورح	Forums	Monthly	Good governance and		
223	Working groups	Monthly	fair corporate conduct	"Governance"	
#	Dedicated meetings	s Weekly			

#### **Internal communication**

- **Digitalization:** We continued to report on the transformation and optimization of the Company's improvement processes. For example, the Sphere project, Grid Blue Sky (GBS), and NERC-CIP, among others.
- Decarbonization: Information was periodically shared with employees on the Company's initiatives in this area, highlighting the important role of Enel Chile in this process.
- Sustainability and circular economy: Information was provided to promote sustainability and circular economy issues, such as the circular economy school, and work with communities, among others.
- New Ways of Working: The Group maintained a constant Sustainability: Highlight content on platforms about flow of regular and timely information on new ways of working. Promotion of the "Next to Office" campaign.

#### **External communication**

- Energy transition: Emphasis on developing interesting and explanatory content on the process and its role in facing the challenges posed by climate change.
- Decarbonization: Report on the closure process of Bocamina II and the construction of new renewable energy projects.
- Electrification: To highlight initiatives that promote the change from fossil fuels to clean energy.
- Collaboration with communities: To communicate the various collaborative actions jointly carried out.
- indexes such as Dow Jones Sustainability Index, REFINITIV, among others.
- Circular Economy: Communicating initiatives around the work, and Enel Chile's commitment.





#### **Enel Chile on social networks**

Through its social platforms, Enel Chile publishes corporate, educational, commercial, financial and sustainability information, among other issues that can be relevant for virtual communities. Likewise, it takes advantage of the

immediacy of these communication channels to maintain a customer service link and keep seamless interactions with clients.











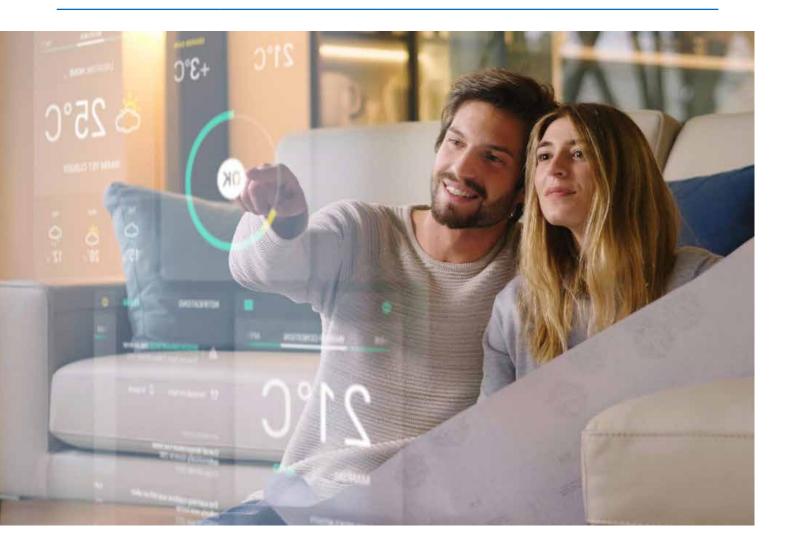
	Followers (thousands)	Reactions (millions)	Followers (thousands)	Prints (millions)	Followers	Reactions (millions)	Followers (thousands)	Reactions (millions)	Publications	Unique visits (thousands)	Total Views (thousands)
2021	100.2	10.2	46.3	2.0	957	1.1	18.8	79.5	43	72.5	82.0
2020	97.7	69.6	33.1	1.9	414	1.4	13.3	59.4	63	25.1	26.3













# **Enel Chile's main ESG risks**

102-29

ESG (Environmental, Social and Governance) risks are an integral part of the Company's Risk Management Policy as described in the "Risk Management" section and are identified considering the following references:

• The relevant issues to consider in the Materiality process that are addressed through Enel Chile's business model are identified according to the World Economic Forum (WEF) Global Risks Report 2022, which identifies five risks related to environmental aspects, three to social aspects, one to the economic aspect and one to the geopolitical aspect, among the 10 most severe risks for the next 10 years.

# Failure of climate action Extreme weather events Loss of biodiversity and collapse of ecosystems Erosion of social cohesion Employment and crisis of means of living Infectious diseases Environmental damage caused by human activity Crisis of natural resources Debt crisis in large economies Geoeconomic confrontation Economic Ambiental Social Geopolitical

Most severe risks for the next 10 years

- Risk assessments performed in the context of the due diligence process on Human Rights and Integrated Management Systems (environmental, quality and safety), among others.
- Analysis of prestigious international sustainability rating agencies, which use specific risk assessment systems to define the company's level of ESG performance, including the recommendations of the Task Force on Climate related financial disclosure (TCFD).

To ensure the integration of ESG factors, Enel Group has established structured processes involving analysis of the sustainability context, identification of priorities for the Company and its stakeholders, sustainability planning, implementation of specific actions to meet sustainability objectives, reporting and management of ESG and sustainability indicators, as well as management of the main national and international indicators.





#### **Environmental risks**

- · Related to the impact of the Company's operations on the environment and ecosystems and to the exploitation of scarce natural resources (including raw materials and water). In some cases, the synergistic effects between these impacts, such as global warming and the increasing exploitation and degradation of water resources, increase the risk of environmental emergencies in the most sensitive areas of the planet, with the risk of competition for the different uses of water resources. As a fundamental and determining element behind each project, throughout its entire life cycle, Enel Chile has established the requirement of prevention and effective minimization of environmental impacts and risks, for example by identifying technological and nature-based solutions to optimize the use of resources, or by signing agreements with other users of water resources.
- Derived from climate change due to the impact of extreme events on the availability of assets and infrastructure, as well as those derived from the energy transition towards a more sustainable business model.
- Physical risks: These are related to the occurrence of extreme weather conditions or gradual but structural changes in weather conditions. Extreme events could expose the Company to a relatively prolonged unavailability of assets and infrastructure, recovery costs and inconvenience to customers, among others. Recurring changes impact the resources needed for generation or electricity demand, such as drought and temperature increases. In December 2020, the Ministry of Environment of the Government of Chile published a Climate Risk Atlas, identifying, for each industrial segment, points of attention for potential impacts. This report organizes impact chains in 12 sectors and for each chain, it considers and opens maps of climate hazards (A), exposure (E) and sensitivity (S). The Atlas defines climate risk as a combination of these three variables and, for the electricity sector, it defines the following impacts:
  - Decrease in water resources
  - Temperature increases over transmission lines
  - Decrease in wind resources
  - Impact on solar radiation

Enel Chile has integrated these risks in its analysis and maintains an active monitoring system and predictive measurements to mitigate them. Likewise, it implements initiatives with local stakeholders, especially when it comes to the reduction of water resources, generating collective impact actions to mitigate these risks.

The geographic and technological diversity that come into play for generation, and good predictive measurements of climate phenomena allow Enel to mitigate and manage changes associated with climate patterns. Likewise, investments made by the Company to have a distribution network that is resilient to these phenomena are part of the mitigation and adaptation measures that Enel Chile is taking in the perimeter of its assets. All areas of Enel Chile are subject to ISO 14001 certification, and, through the application of internationally recognized Environmental Management Systems (EMS), possible sources of risk are monitored to promptly detect any criticality.

 Transition risks: The path towards a low-carbon economy may involve risks related to regulatory, political, legal, technological and market changes, among others, with a short-, medium- and long-term effect. Enel Chile's competitive advantage in the management of these risks is that it belongs to a group that operates in a more mature market, which can share good regulatory, technological and market practices, among others.

#### **Social risks**

Regarding the management of social risks, most salient are social conflicts whose intensity may put the continuity of operations at risk. At a territorial level and order to address these potential impacts, Enel Chile implements a strategy of continuous dialogue, with staff dedicated to relations with communities and stakeholders. At the same time, the Company manages social investment capital aimed at local socioeconomic development, as well as structured Complaint and Grievance Management systems, all of which are key tools for the mitigation of conflicts related to its operations.

In case of contingencies, Enel Chile has plans and processes to manage these situations. Aware of the strategic role that electric energy represents for the region, these plans prioritize the continuity of the delivery of energy to the system, the supply of electricity to its customers, and the safety of people.

Likewise, Enel Chile could be exposed to the risk of ineffectively engaging key stakeholders in relation to its strategic positioning on sustainability and financial objectives, due to a lack of understanding, anticipation or orientation of their expectations, which could cause an incomplete integration of these expectations in the business



strategy and sustainability planning processes. Through the materiality analysis and its relationship strategy based on dialogue and its vision of Shared Value Creation, Enel Chile incorporates expectations and manages relationships with its stakeholders, by considering socio-environmental factors in its processes along the entire value chain, with special focus on business development operations, engineering and construction, and procurement, as well as asset management and maintenance.

Regarding the risks associated with health and safety, such as those caused by accidents of its own personnel and/ or contractors, Enel Chile is responsible for promoting a culture of prevention and safety, highlighting the definition of policies and the integration of safety in processes and training, among others. Likewise, collaborators could be exposed to health risks related to possible emerging infectious diseases, of epidemic and potentially pandemic nature, which may affect their health and wellbeing. A special unit has been created to manage this risk, which oversees the implementation of all actions required for health protection.

In relation to the risks related to diversity and inclusion, attraction and retention of people in the context of the energy transition, Enel Chile has diversity policies, together with the management and promotion of talent. The Company carries out different initiatives dedicated to the conciliation of personal life with work life and promotes education and growth of people through scholarships and courses, thus aiming to contribute to the welfare of people and their families.

#### **Governance risks**

Enel Chile manages governance risks by identifying those originated by illicit conducts, including corruption, lobbying activities, or anti-competitive practices, among others, in which its own personnel or contractors could engage. To this end, it has an Internal Control and Risk Management System based on business rules and procedures.

On the other hand, risks involving human rights violations are raised through due diligence processes that are developed annually throughout the entire Enel Chile value chain, including its subsidiaries, and transversally to all functions. Action plans derive from these processes, to address the detected areas of vulnerability or impacts.

#### **Emerging risks**

Due to the increasing digital transformation and greater dependence, Enel Chile faces risks associated to digitization and operational continuity and cybersecurity, as well as risks that emanate from the protection of personal data.

Digitalization, Information Technology (IT) efficiency and service continuity have all been identified as emerging risky areas, as the Company undertakes a digital transformation of the management of its entire value chain, developing new business models, digitalizing its processes, integrating systems and adopting new technologies.

The speed of technological development always generates new challenges, with a constant increase in the frequency and intensity of cyber-attacks, which by their nature seek to affect critical infrastructures and strategic industrial sectors, highlighting the potential risk that, in extreme cases, normal business operations could suffer a setback.

Enel Chile has more than two million customers and directly employs around two thousand people. Its business model requires managing a relevant volume of personal data. This implies greater exposure to the risks associated with the processing of personal data and increasingly demanding privacy legislation worldwide. For this reason, the protection of personal data is of essential concern and is considered an emerging risk for the Company.

For further details on the impact and management of risks, please refer to the <u>Enel Chile 2021 Annual Report</u>.



#### **Commitment to the SDGs**



The Company has a business model that integrates sustainability in all its operations.

The 17 Sustainable Development Goals (SDGs), approved in 2015 by the United Nations (UN), are the guide for Enel Chile's work, which has consolidated its commitment to an increasingly sustainable business model, with the aim of meeting them by 2030.

Enel Chile specifically integrates six of the 17 SDGs in its business plan. This does not exclude the Company's contribution to achieving all the goals. Furthermore, the commitment to the SDGs was the result of the definition of a sustainable business model and, therefore, the Company's Strategic Plan for sustainable business, which is framed in the energy transition, incorporates the SDGs in the investment decisions of each business line.

#### SDGs that have been integrated















# Sustainability strategy

102-29

As a result of the analysis of context and megatrends, and the prioritization of material issues by stakeholders, the Company defines a course of action for each line of business and staff areas, integrating the actions dedicated to addressing megatrends and meeting the expectations of its stakeholders and the market in general into the Company's Sustainability Plan.

The sustainability strategy, embodied in the Sustainability Plan, contemplates the **energy transition** process, the basis of Enel Chile's business strategy, as it is addressed in an Investment Plan that aspires to Net Zero and the electrification of energy consumption. For this sustainable strategy to succeed, people must be the protagonists to implement the model and nature, the essence. To transversally strengthen the Business Plan, Enel Chile focuses on **growth accelerators**, which are essential to make the Group's actions towards its objectives faster and more effective. Finally, the bases for the entire process are compounded in its **fundamentals**, without which it would not be possible to build a sustainability strategy as outlined above.

In defining the actions to be included in Enel Chile's Sustainability Plan, factors external to the Company that influence the business and its long-term sustainability are also considered. These factors are represented in the energy and social strategies, the NDCs associated to the environmental strategy, the guiding principles of business and human rights, the Sustainable Development Goals (SDGs), and the indications that the Company receives from the market and from ESG analysts, which are prioritized

according to the materiality of relevant stakeholders. To achieve the objectives of the plan and its commitments, a series of actions are designed throughout the value chain and involve the entire Company.

The **2022-2024 Sustainability Plan** is divided into six macro themes, which are interconnected and represent the strategic lines of action:

- 1. Net Zero Ambition: Advance "Net Zero" targets to 2040.
- **2. Electrification:** Enabling the electrification of customers' energy demand, offering a reliable and sustainable service.
- **3. People:** Creating long-term value with and for all stakeholders, helping them grow and face challenges.
- **4. Nature:** Promote the protection of natural capital and biodiversity.
- **5. Growth accelerators:** Accelerating sustainable progress through innovation, digitalization and the circular economy.
- **6. ESG fundamentals:** Support for good governance, respect for and promotion of human rights, continuous improvement of health and safety objectives.



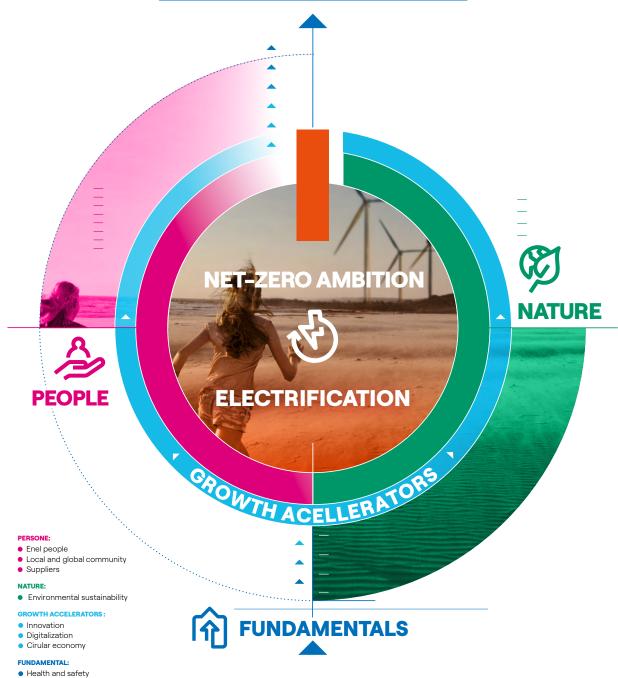


#### Sustainable development along the entire value chain



#### **Long-term Sustainable Value Creation**







Strong governanceHuman rights



**Net Zero Ambition.** Includes actions of the business model aligned with the goal of not exceeding a temperature increase of 1.5°C compared to pre-industrial levels. This ambitious goal does not contemplate offsetting emissions and is based on the process of **decarbonizing** the generation matrix, gradually replacing the thermoelectric portfolio with **new renewable capacity,** as well as taking advantage of the **hybridization of renewables with storage solutions.** 

**Electrification.** The Group has increased and broadened its commitment to the **electrification of uses**, which sees **people and their daily choices** as active protagonists of change. Strategic actions, supported by a unified platform capable of managing the world's largest customer base among private operators, will result in the creation of value for customers by 2030, through a reduction in energy expenditure and their carbon footprint. A commitment that translates into a significant and tangible improvement in quality of life for all.



**People.** Represents the Group's commitment to the **empowerment of people**, and the improvement of their skills and capabilities to carry out the actions required by the energy transition. Establishing sustainable relationships with stakeholders is at the core of this commitment, whether they are employees, suppliers, community members or customers. Responding to the needs of stakeholders also translates into attention to those who are most exposed in this transition phase, with special attention to their **requalification and reconversion** to achieve a more resilient ecosystem, in a **diverse and inclusive** environment.



**Nature**, the challenge posed by climate change is the strongest obstacle for people. The protection of the environment and natural resources, climate action and the contribution to sustainable economic development are strategic factors in the planning, operation and development of Enel Chile's activities. Together with actions towards decarbonization, **environmental sustainability** translates into a daily commitment to the **conservation and preservation of nature and biodiversity** through the reduction and mitigation of potential negative effects on the planet that may result from the various activities of Enel Chile.



**Growth** accelerators are fundamental tools to increase and broaden the range of action to achieve the Company's objectives, encompassing and strengthening all the themes of the sustainability strategy. **Innovation** facilitates the integration of sustainability into all aspects of the business, playing a central role in responding to the needs of stakeholders, amplifying the scope of the strategy's impacts. Another issue related to the challenges of the business model is the **circular economy**, an accelerator that aims to both reduce the consumption of materials along the entire value chain and to develop circular business models and new solutions. Additionally, a key element to strengthen the strategy is **cybersecurity**, the basis of the digital transformation needed to increase resilience **and digital supports**, i.e., platforms and tools that make the daily activities of those who work in the company more sustainable.



**Fundamentals**, at the core of the Company's strategy to contribute to sustainable progress is the commitment to respect **human rights** throughout the value chain, of which a key principle and an additional foundation of the plan is occupational **health and safety. Sound governance** is the basis for sustainable success as it cannot be separated from a corporate governance structure that takes ESG aspects into account in the main corporate decision-making processes

#### How to read this report

Each chapter of this report will be introduced with a graphic that presents the material issue to be addressed, its priority in the Materiality Matrix, to which area of the Sustainability Plan the issue corresponds, the Sustainable Development Goals to which the management of these issues corresponds, as well as the principles of the Company's Human Rights Policy and the priority risks of the

World Economic Forum's 2021 report, which are addressed through this management.

The Objectives outlined according to the 2021-2023 Sustainability Plan, the results achieved in the reported year and the objectives redefined or added in relation to the new horizon of the 2022-2024 Plan, focused on the creation of long-term sustainable value, are presented through a table, in six sections:















#### Value creation

#### 201-1

The goal of the Sustainability Plan is to create long-term value for all the Company's stakeholders.

The following table shows the value generated by Enel Chile, considering the consolidated results of its business lines, for suppliers, workers, capital providers (investors, shareholders and financiers) and the Government.

		2021	2020	2019
		Thousands of Ch\$ million	Thousands of Ch\$ million	Thousands of Ch\$ million
Economic value generated (EVG)	Revenues	2,895	2,635	2,800
	Operational	2,855	2,585	2,771
	Non-operational	40	49	30
Economic value distributed (EVD)	Operating cost	2,473	2,529	2,146
	Salaries and benefits for employees	132	112	112
	Payments to capital providers	405	440	401
	Financial cost	174	127	165
	Dividend payments	231	313	236
		15	(81)	61
Economic value retained (ERV)	ERV = EVG - EVD	(130)	(365)	80

During 2021, Enel Chile distributed among its stakeholders all the value generated through payments for goods and services acquired from suppliers, contractors, collaborators and owners of capital through interest and dividend payments, resulting in a negative tax payment with no economic value withheld.

#### **Analysis of 2021 results**

Operating revenues increased by 10.4% to reach a total value of Ch\$2,855 billion as of December 2021. This variation was mainly the result of higher physical energy sales during 2021 in the generation business.

Operating costs amounted to Ch\$2,473 billion as of December 2021, a decrease of 2.2% compared to 2020, mainly due to the impairment of the Bocamina II coal-fired generating unit, recognized in 2020, and offset by higher costs for energy purchases and fuel consumption in the generation business in 2021, associated to a less efficient generation mix due to the country's poor hydrology and higher commodity prices.

For further details, please refer to the <u>Enel Chile 2021 Annual Report</u>.





#### Long-term economic value creation

The value generated by the sustainable business strategy is reflected in the economic indicators with which Enel Chile evaluates its performance.

	2021	2020	2019
EBIDTA of low carbon products and services (in Ch\$ million)	567,720	824,023	867,644
CAPEX of low carbon products and services (in Ch\$ million)	816,331	737,344	295,853
Ratio of CAPEX of low carbon products and services to total (%)	95%	96%	88%

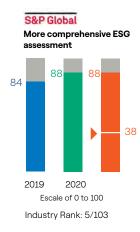
The performance in the different areas covered by sustainability, which are an integral part of Enel Chile's business model, is reflected in its participation in various globally recognized indexes, which include environmental, social and governance (ESG) variables. This allows for traceability of the work done and represents an opportunity to compare its management, giving credibility and transparency to investors, consumers and stakeholders.

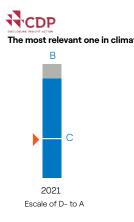
There is a clear link between sustainability and value creation. By investing in environmentally and socially sustainable projects, companies can maximize profits and minimize risks, while contributing to the achievement of the Sustainable Development Goals (SDGs) promoted by the United Nations.

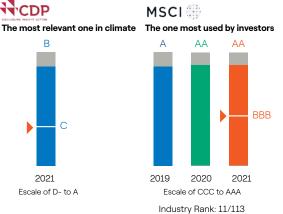
In this way, sustainability indexes and rankings are instruments to measure the performance of a given company in the ESG areas. Therefore, the ratings and analyses carried out by organizations specialized in these matters are considered a strategic tool to support investors and identify risks and opportunities linked to sustainability in their investment portfolio, helping the development of sustainable investment strategies.



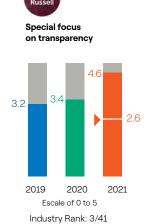


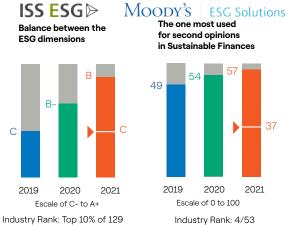


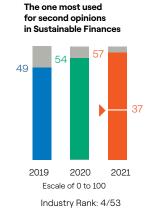


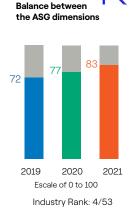












REFINITIV

Industry average

(\*) Informe Reporta and Alas 20 are not ESG indexes (www.informereporta.es; www.alas20.com).



#### **ESG Ratings and Indexes**

# Dow Jones Sustainability Index (DJSI)

Enel Chile has positioned itself for the second consecutive year as a leader in Chile's energy sector industry in the three categories in which it is invited to participate: Emerging Markets, Pacific Alliance Integrated Market (MILA) and Chile.

With a total of **88** points, the Company has consolidated itself within the top 5 of the electricity industry among the 103 that are evaluated worldwide, according to the score assigned by the evaluator S&P Global, which analyzes the economic, environmental and social dimensions of the companies. Enel Chile stood out with maximum score in areas such as Materiality, Risk and Crisis Management, Innovation Management, Environmental Reporting, Water Risk, Social Reporting and Corporate Citizenship, and Philanthropy.

#### Sustainability Yearbook 2022

The Company was confirmed for the third consecutive year in the Sustainability Yearbook 2022 published by S&P Global, being the only company in Chile and in the Latin American electricity industry in the silver category, which distinguishes companies ranked among the **5%** most sustainable companies worldwide.

#### FTSE4Good

Sustainability Index of the London Stock Exchange, which ranks the best companies based on their performance in areas such as the fight against climate change, governance, respect for human rights and anti-corruption measures. Enel Chile has been included in this ranking in the Emerging Markets and Latin America categories, with a score of **4.6** out of 5.

#### Moody's ESG Solutions

Included for the fourth consecutive year in the "Best Emerging Markets Performers" ranking in the utilities sector by Moody's ESG Solutions (formerly Vigeo-Eiris), which includes the best performing companies in emerging markets with a "best-in-class" approach. The Company scored **57** points.

#### **MSCI ESG Indexes**

While being part of the various sustainability stock market indexes offered by this entity, Enel Chile received an AA rating.

#### **Sustainalytics**

International provider of sustainability risk assessments for investors, which has classified Enel Chile with a score of **17.8** as of December 2021, in which the lower the score, the lower the risk, placing it among the 7% of companies with the lowest risk in the global electricity industry.

#### ISS ESG

In December 2020, ISS ESG Corporate Rating placed Enel Chile within the top 12% best performances among the 125 companies in the electricity sector worldwide; the Company received the PRIME company rating for its performance in sustainability. This, after the good results obtained in a very demanding evaluation carried out by ISS through more than 100 questions based on public information; it reflects that Enel Chile's integrated business model meets the requirements demanded in terms of sustainability performance.

#### CDP

Enel Chile was recognized by CDP with a B level in its first year of voluntary reporting of climate change impacts. CDP is a recognized non-profit organization that, through its disclosure framework, evaluates performance in the fight against climate change on a scale from A to D.

It was also recognized with a B in the Supplier Engagement Rating (SER), indicating that the Company intentionally manages its suppliers in terms of climate change.

#### Bloomberg

Enel Chile has been confirmed for the first time in the Bloomberg Gender Equality Index (GEI) 2022. Together with the Enel Group and Endesa, Enel Chile is among the 418 companies that Bloomberg selects out of a total of 11,700 on a worldwide scope, that are evaluated for their commitment and transparency in relation to gender equality and pay parity. The Company obtained a total score of **74%**, three points above the average of the companies included in the index,

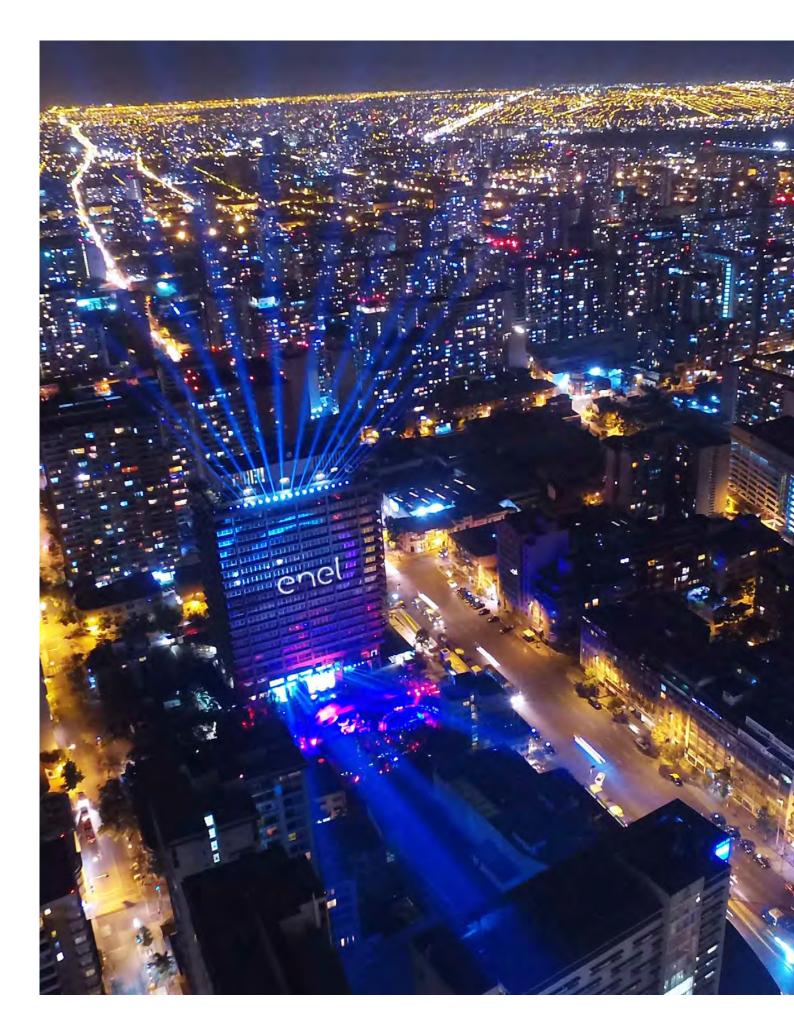
achieving the maximum score in transparency and emphasizing its performance in gender equality and salary parity, sexual harassment policies and inclusive culture.



# Most important awards and recognitions of 2021

February	Enel Chile is distinguished in the "Silver Class" category in The Sustainability Yearbook of Corporate Sustainability Assessment (CSA) and S&P Global. In 2022 the Company obtained this recognition again.
May	Energy Excellence Seal "Efficient Transport and Electromobility" of the Chilean Ministry of Energy and AgenciaSE for Enel X.
June	Certification to the Crime Prevention Model in accordance with Law No. 20,393 to the following subsidiaries: Enel Chile, Enel Generación Chile, Empresa Eléctrica Pehuenche, Enel Distribución Chile, Enel X Chile, Enel Green Power Chile and Geotérmica del Norte.
July	Inclusion of Enel Chile in the S&P IPSA ESG Tilted Index announced by the Santiago Stock Exchange and S&P Dow Jones.
July	Within the <u>Good Human Rights Practices of companies in Latin America</u> , Global Compact acknowledges the management of Enel Chile for its grievance mechanism with a human rights perspective in Coronel.
August	A study prepared by PWC Chile, together with the Center for Corporate Governance and Society of the ESE Business School of the Universidad de los Andes, recognizes Enel Chile and Enel Américas among the IPSA companies that are most compliant of the recommendations of the Financial Market Commission (CMF).
September	First place in the Reporta Chile Report for Enel Chile. The Company was also distinguished in "Principle of Commitment", which acknowledged its decarbonization strategy, as it reflects in the study prepared by the Spanish company Deva, which evaluated the 70 companies with the highest stock market capitalization in the country.
September	Enel Distribución Chile is awarded the Impulsa Talento Femenino 2021 (Promote women's talent) recognition, which highlights the promotion and integration of women in its sector. The event was organized by Fundación ChileMujeres, PwC Chile and PULSO.
November	The project for the production and processing of potatoes and other local crops that Enel Chile developed together with the agricultural cooperative We Kimun, was recognized with the first place in the "Contest of Good Practices for a More Sustainable Electricity Future" of <u>Generadoras de Chile</u> .
December	Enel X Chile's initiative "Air exchange program, replacement of wood stoves with inverter air conditioners" received a distinction from the Global Compact in the SDG 11 section, in the Partnerships category.
December	The Company obtained the maintenance of the certification of the Crime Prevention Model in accordance with Law No. 20,393 for Enel Colina and the first certification of the same kind for Enel Transmisión Chile.







# Our performance

#### The path to Net Zero

We are moving the Net Zero commitment forward to 2040.

# The decade of electrification and customer centricity

We want to enable the electrification of energy demand by providing reliable and sustainable service to our customers.

#### Progress starts with people

We create long-term value with and for all our stakeholders, helping them to grow and meet challenges.

#### Towards a nature-based model

We promote the protection of natural capital and biodiversity.

#### **Growth accelerators**

We support sustainable progress through innovation, digitalization and circular economy.

#### **ESG** fundamentals

Our commitment is based on good governance, respect and promotion of human rights, continuous improvement in health and safety objectives.



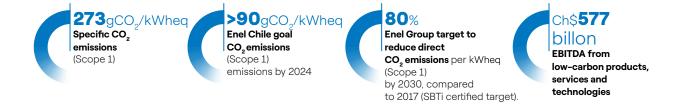






# The path To Net Zero

102-15 | 103-2 | 103-3 | 201-2



EAs part of the Enel Group, Enel Chile operates with a business model aligned with the goal of not exceeding a temperature increase of 1.5°C compared to pre-industrial levels.

To achieve this goal, the Enel Group has brought forward its Net Zero goal by 10 years, setting it for 2040, while also striving to exit from coal operations by 2027. In practice, the Enel Group's energy matrix will have no gas or coal operations by 2040. These goals are part of the Group's commitment to the "Business Ambition for 1.5°C" campaign promoted by the United Nations and other institutions, which it ascribes, and is aligned with the criteria and recommendations of the Science Based Targets initiative (SBTi).

In this scenario, Enel Chile, which assumes the same commitments as the Enel Group, will be the first generator in the country to have a coal-free energy mix by 2022, aiming to reach Net Zero by 2040. Continuous investments in renewable energy, that have been systematically carried out since 2012, allow the Chilean company to be the leading operator in this sector and, consequently, to set its own Net Zero target by limiting its direct emissions to 90 gCO<sub>2</sub>eq/kWh by 2024.

Achieving a climate change goal requires viewing the Company's business from a multidimensional perspective that involves its entire value chain in the decarbonization process, and not only in the generation line. According to the study of Costs and Benefits of the Energy Sector prepared by the Association of Generators, the electrification of consumption will rise to a rate of 54% by 2050, a fact that supports the strategy that Enel Chile has designed regarding its investment in the digitalization of the network,

and in the necessary infrastructure for the electrification of consumption in industries, cities and communities. Immersed precisely in the era of electrification, the services offered through Enel X complete the design with which Enel Chile participates in the country's energy transition, advancing towards the objectives declared by Chile at COP26 to achieve electro mobility by 2035 and carbon neutrality by 2050, which are complemented with a circular economy roadmap.

Enel Chile's strategy can be summed up as the Climate Action of the Company. Along with the energy transition, the strategy provides the roadmap for achieving the global goals defined in the 17 Sustainable Development Goals (SDGs). Particularly in SDG 7 (affordable and clean energy) by increasing renewable energy generation, SDG 9 (industry, innovation and infrastructure) by investing in a digitized and functional grid for the electrification of consumption, and SDG 11 (sustainable cities and communities) by involving citizens, institutions and industries in the substitution of fossil fuels for electricity.

The Climate Actions targeted by SDG 13 for the electricity sector are energy transition and electrification, which, at a national level, Enel Chile leads in all its dimensions.

To ensure greater transparency in communications and relations with its stakeholders, Enel Chile reports the performance of its climate actions in line with international standards such as the Global Reporting Initiative (GRI) as well as following the guidelines of the Enel Group's reporting indicators of the Sustainability Accounting Standards Board (SASB), and the impact of climate risks, according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).





## Stakeholder engagement in climate actions

We believe that the Company is part of the social fabric and that both, the economy and society, can grow by considering the environment as the natural capital that allow us all to thrive. The impacts of climate change affect business and society, modifying biodiversity and the exosystemic functions of the biosphere. The race that began a few years ago to repair this situation emerged from an all-encompassing call to institutions, companies, citizens and communities to participate in a systemic transformation that strives to counterbalance climate change. In response to this call, Enel Chile initiated a strong transformation aimed at creating and promoting a clean energy matrix, the modernization of its electricity grid, and the electrification of consumption. It has also placed Climate Action at the center of its strategic objectives, working with all stakeholders and through different instruments.

- Materiality analysis: Climate change has been one of the issues addressed with all stakeholders in terms of the Company's priorities and performance. It is at the core of sustainability planning and strategy development.
- Human Rights Due Diligence: Annual due diligence processes identify potential risks or impacts to the right to live in an unpolluted environment, and to have access to timely environmental information. Eventual noncompliances are included in remediation or mitigation plans.
- Risk matrix: The business risk matrix has incorporated climate risks, which are assessed both quantitatively and qualitatively.
- Community engagement: The Company's social investment is mainly focused on initiatives that leads communities to be part of the energy transition, via the implementation of renewable energy models and solutions based on nature or circular economy.
- Sustainability indicators for the supply chain: Including sustainability factors in the bidding processes, providing incentives to suppliers that take actions to minimize environmental impacts, participating in the Company's decontamination and electrification of consumption objectives.

- Internal communications: Events involving energy transition, sustainable business, circular economy and climate change issues are communicated on online platforms accessible to internal parties.
- Presentations and meetings with investors: At the Investor Day, where the 2022-2024 Strategic Plan was presented, emphasis was placed on the specific actions with which the Company contributes to low-carbon economies. In addition, progress in this area is reported on a quarterly basis.
- Directors' Committee: Here, sustainability initiatives are presented, including those dedicated to climate change.
- Report to the Director: The Sustainability Plan and its progress, including climate action indicators, are presented quarterly.
- Communication in social media: Enel Chile reinforces its commitment to the digital society by using social networks to raise public awareness on issues related to climate change including decarbonization, renewable energy development, water management, circular economy, electrification and electric mobility.



## **Enel's climate actions**

The global coordination of the Enel Group's policy positioning on climate action is ensured through the Energy and Low-carbon and the Strategic, Economics and Scenario Planning Units. Together, the units are responsible for developing and aligning global perspectives and providing position papers on climate policies. These documents serve as a guide for interaction at the Company's local level, as well as for regulatory discussion and engagement with institutions and stakeholders in the climate action debate.

Our ESG performance

Enel Chile shares Enel SpA's principles, commitments and guidelines regarding policies, regulations and participation in partnerships to promote issues related to energy transition and climate change at national and global level. For more details, see the Enel SpA 2021 Sustainability Report.

The actions that Enel Chile carries out on a global, regional and local scope inform an integral perspective that connects its business results with the country's climate objectives (NDC - Nationally Determined Contribution). Enel Chile participates at the local level in different roundtables on climate change issues in trade, social and environmental associations, contributing to the discussion on climate change. Some of these forums are Pacto Global Chile, Acción Empresas (WBCSD), Empresas Líderes en Cambio Climático (CLG), Prohumana, Asociación de Generadoras, Centro Regional del Sector Privado en apoyo a los ODS (Regional Center of the Private Sector in support of the SDGs), among others.







# **Enel Chile and its relationship to climate-related frameworks, policies and partnerships**

As climate challenges becomes increasingly evident and the need for all actors to work in synergy to address solutions and opportunities around this issue becomes clearer, the global, regional and national policies expands and evolves in its regulatory frameworks. In view of this, Enel Chile adheres to the following guidelines:

### Framework Law on Climate Change (LMCC)

Enel Chile promotes economic financing and tax instruments that foster investment on complementary or additional environmental initiatives that lead to the mitigation of greenhouse gas emissions and contribute to the goal of carbon neutrality by 2050, as assumed by the Chile State, adhering with a sustainable perspective and the proposed management objectives and goals such as the National Determined Contribution (NDC) and the Long-Term Climate Strategy.

## **Long-term Climate Strategy (ECLP)**

Enel Chile is committed to give continuity to electrification programs, increasing the production of renewable energies such as green hydrogen, and incorporating energy storage systems. On the other hand, it promotes the conservation of natural spaces and carbon capture through environmental investment in Ecosystem Services management alternatives. These measures are key to develop a transition process towards carbon neutrality and to contribute to the reduction of greenhouse gases.

#### **National Determined Contribution (NDC)**

Enel Chile is part of the wood stove replacement program aimed at reducing the use of black coal in the country's most polluted cities, which contributes specifically to the NDC Mitigation objective, which, in turn, is aligned with the ECLP. In addition to contributing to the reduction of emissions by closing coal-fired plants, these actions are also geared towards conserving marine and terrestrial biodiversity through participation in the San Ignacio del Huinay Foundation and managing a marine protected area belonging to the same Foundation.

#### **Just Transition Strategy**

Enel Chile set a national-level precedent by bringing forward the definitive closure of its last coal-fired plant, 18 years prior to what was initially planned in the National Decarbonization Agreement, positioning the Company as the first one in the country to definitively eliminate coal from its energy matrix and continue its path as the main operator in renewable energies.

## **Energy 2050: Chile's Energy Policy**

Part of Enel Chile's objectives are to maintain and enhance its development portfolio based on large-scale renewable sources, focusing on solar and wind energy. Likewise, it continues to develop green hydrogen opportunities and advocating for a resilient electricity system in generation, transmission and distribution, via the process of electrification of energy uses.

#### Chile's Energy Efficiency Law

Enel Chile endorses a nationwide culture of energy efficiency by promoting the permanent development of its services and fostering a rational use of energy. Currently, it encourages and promotes energy efficiency projects, such as the use of LED lighting, as an essential value for sustainable growth and efficient energy consumption.

#### Law 20.920: Extended Producer Responsibility (REP)

Enel Chile is constantly considering market opportunities to valorize and better dispose of its waste, and the feasibility of generating startups that facilitate the creation of management entities for waste processing in the Company's plants, valorizing residual materials in the value chain.

#### 2030 Agenda for Sustainable Development

Enel Chile is committed to contributing specifically to SDGs 4, 7, 8, 9, 11 and 13 of the 17 Sustainable Development Goals, which does not exclude its contribution to achieving the rest of the Goals. Moreover, this commitment to SDGs is the result of the definition of a sustainable business model, and therefore is incorporated into the Company's Strategic Plan.

#### The Corporate Leaders Group for Climate Change (CLG) Chile

For Enel Chile, being part of the discussion and promoting climate actions allow it to make a concrete contribution to the collective effort of developing a low-carbon economy and a society with low climate risk. Being part of this organization offers the opportunity to promote climate action policies, ensuring that they incorporate the viewpoint of the business sector.

#### **Global Compact**

Enel Chile is committed to the Ten Principles of the Global Compact, grouped into Human Rights, Labor Relations, Environment and Anti-Corruption, and the incorporation of them into the Company's strategy, culture and daily actions, as well as to engage in collaborative projects that contribute to the Sustainable Development Goals. Additionally, these commitments will be communicated to stakeholders and the public.

### Regional Private Sector Support Center for Latin America and the Caribbean

Enel is constantly participating in instances that seek to strengthen the sustainable development agenda both in Chile and in Latin America, which is why the Company's participation in the Regional Private Sector Center in support of the United Nations Sustainable Development Goals is strategic, since this office works in coordination with its partner companies and in alliance with the United Nations system to advance the practical implementation of various international sustainability initiatives, and thus, put into effect the global trends that impact the business practice globally.



# Climate change governance model

Enel Chile's corporate governance and structure define specific tasks and responsibilities for the main governance bodies within the Company, ensuring that risks and opportunities related to climate change are considered in all relevant business decision-making processes..

## **Corporate governance**

#### **Board of Directors**

- It is responsible for reviewing and approving the Company's strategy, including the annual budget and the Business Plan, which incorporate the Company's main objectives and actions -addressing matters such as energy transition and sustainability in general-, to guide investments to transition towards low-emission economies, promoting a sustainable business model that generates long-term value.
- It plays a guiding role and assesses the pertinency of the Internal Control and Risk Management System (referred to as SCIGR), defining the nature and level of risk compatible with the strategic objectives of the company and the Group, including risks related to climate change.
- · Over 2021, it addressed climate-related issues that pertain to the Company's strategies and operations. In the various sessions of the Board of Directors and the Directors' Committee, topics were addressed related to: (i) an in-depth investigation of future climate scenarios, also in order to define the Group's strategy, in consideration of relative risks and opportunities (ii) the water crisis (iii) the risk of non-compliance with quality indicators (SAIDI-SAIFI), (iv) the management of impacts on workers of just transition and decarbonization, with planned improvement and requalification programs, (v) the analysis of investors' expectations regarding climate change through updates of investor relations activities, (vi) including climate actions and the reduction of direct and indirect emissions among the parameters taken into account to analyze the positioning of Enel Chile in relation to its peers.
- When required, the board for climate change management is supported by the Committee of Directors.

#### **Committee of Directors**

- Advises the Board of Directors in the evaluation and decision-making processes that pertain to sustainability and the performance of the Sustainability Plan, including any issues related to climate change, biodiversity and circular economy, and to how the dynamics of the Company interact with stakeholders.
- Examines and analyzes the climate objectives, defined in the Sustainability Plan, and the articulation of the contents published in the Sustainability Report, issuing a special prior opinion to the Board of Directors.
- During 2021, it addressed issues related to climate change such as emissions reduction, decarbonization and carbon neutrality, reflecting the Company's strategies and operations, prior to their presentation to the Board of Directors, as described above.

#### **CEO**

- In the exercise of all its competencies for the management of the Company, the CEO has defined a sustainable business model that implements a strategy aimed at guiding the energy transition towards a low-carbon model. Moreover, also within the CEO's attributions, s/ he manages the business activities related to Enel's commitment to climate actions.
- S/he reports to the Board of Directors on the actions carried out in the exercise of her/his powers, including business activities aligned with the Company's commitment to address climate change.
- S/he is also the manager in charge of the SCIGR with respect to corporate risk management, including those related to climate change.







#### **Structure**

Enel Chile has a team of managers who assign responsibilities related to specific functions that help guide Enel's leadership in the energy transition. Each area is responsible for managing the risks and opportunities of climate change in its area of expertise. Their main functions are:

- Consolidating the scenario analysis and management of the strategic and financial planning process, aimed at promoting a sustainable business model, placing climate action at the center of the strategy.
- Each business line is responsible for developing activities related to avoid or minimize the environmental risks and impacts of operations, adapting the business to the effects of climate change and promoting the generation of renewable energy by optimizing thermal capacity, developing the digitalization of the electricity grid and developing business solutions that will lead to a lowcarbon energy transition.
- Cross-functional service functions are responsible for adopting sustainability criteria in supply chain management and the development of digital solutions to promote the advancement of technologies that facilitate the energy transition and allow for a better adaptation to climate change.
- Promote decarbonization and guide the energy transition to a low-carbon business model within its areas of responsibility.

In addition, Investment Committees by business lines operate for the approval of investments, as well as an Investment Committee at the Enel Group level, chaired by its CEO. This last instance is entrusted with the responsibility of ensuring that all investments are aligned with the Group's commitment to promoting a low-carbon business model and achieving decarbonization by 2040.



# **Climate change incentive system**

The Enel Group's Remuneration Policy includes several mechanisms with the objective of advancing the energy transition, in particular:

A short-term variable remuneration (MBO) that may include objectives related to each manager's specific business function. For example, they may include renewable energy development targets for managers within the Generation business line or related to energy transition solutions within Enel X.

# **Enel Chile's impact on climate change in 2021**

Electricity generation has always played a key role in climate change, as the use of fossil fuels represents a major source of greenhouse gas emissions. However, technological development, especially in the field of renewable energies, has completely transformed this scenario, positioning electricity as one of the main solutions to reduce the carbon footprint. Enel Américas is aware of these impacts and

implements specific actions to minimize them, promoting the decarbonization of the energy system and the electrification of energy demand and, consequently, reducing greenhouse gas emissions along the entire value chain, with the consequent reduction of its absolute carbon footprint as new renewable plants come into operation and with the closure of coal plants in 2022 and the exit of gas in a longer term.

		CO <sub>2</sub> FREE PRODUCTION	DIGITALIZATION OF THE ELEC-TRICITY NETWORK	ELECTRIFICATION OF ENERGY DEMAND AND PROMOTION OF ENERGY EFFICIENCY
POSITIVE IMPACTS	POSITIVE IMPACTS	million tCO <sub>2</sub> eq emissions avoided with renewable generation Contribution to the reduction of CO <sub>2</sub> emissions in other sectors through a zero-emission energy mix.	Thousand users with active smart meters By providing near real-time data, smart meters enable efficient management of energy supply and demand, promoting informed and sustainable consumption	Charging points for electric mobility. Contribution to the reduction of CO <sub>2</sub> emissions in other sectors through the electrification of consumption, including transportation, by promoting electric mobility. Energy efficiency solutions to reduce consumption (residential, urban and industrial).
	VALU	E CHAIN GENERATION	DISTRIBUTION	RETAIL
		THERMOELECTRIC GENERATION	LOSSES IN THE ELECTRICITY GRID	ELECTRICITY AND GAS RETAIL
	NEGATIVE IMPACTS	5.13 million tCO <sub>2</sub> eq of direct emissions from thermoelectric generation  0.19 million tCO <sub>2</sub> eq of indirect emissions from fuel extraction and transportation, recycled materials and waste	million tCO <sub>2</sub> eq of indirect emissions associated with grid losses	million tCO <sub>2</sub> eq of indirect emissions associated with electricity end users  0.19 million tCO <sub>2</sub> eq of indirect emissions associated with gas end-users

<sup>\*</sup> The Atacama-Taltal Gas Pipeline for gas transportation works at low capacity (about 7% of its capacity) and without a compressor, which means that during the last 3 years gas leaks have been zero (%)





## **Climate scenarios**

To support planning, capital allocation, strategic positioning and assessment of risks and resilience of its strategy, Enel Group develops scenarios for the short (1 to 3 years), medium (2025–2029) and long terms (2030–2050), as they apply to the energy, macroeconomic and financial areas.

The group also carries out analyses and benchmarking of external energy transition scenarios. Together with the macroeconomic, commodity and climate trend reports, these analyses are an input for internal modeling, which drive the definition of long-term scenario assumptions.

Global energy scenarios are generally classified by families according to the level of climate ambition:

- Business as usual/current policies: energy scenarios based on business as usual or current policies. They provide a conservative benchmark for the future, representing the evolution of the energy system in the absence of additional climate and energy policies. These scenarios do not meet the objectives of the Paris Agreement.
- Paris Aligned: energy scenarios aligned with the Paris Agreement, i.e., including a target to contain the global average temperature increase "well below 2°C" compared to pre-industrial levels. To achieve this, scenarios in this category envisage new and more ambitious policies for end-use electrification and for the development of renewables.
- Paris Ambitious: global energy scenarios that outline a path towards net zero greenhouse gas emissions by 2050, consistent with the Paris Agreement's more ambitious goal of stabilizing the average increase in global temperatures to within 1.5°C. In this scenario, there is consensus that the main drivers to achieve this are the process of end-use electrification and increased renewable electricity generation in both the medium and long term. However, there is no consensus on the additional solutions needed in the long term to close the gap to achieve net zero emissions, with varying degrees of relevance assigned to the contribution of different technologies and changes in consumer behavior.

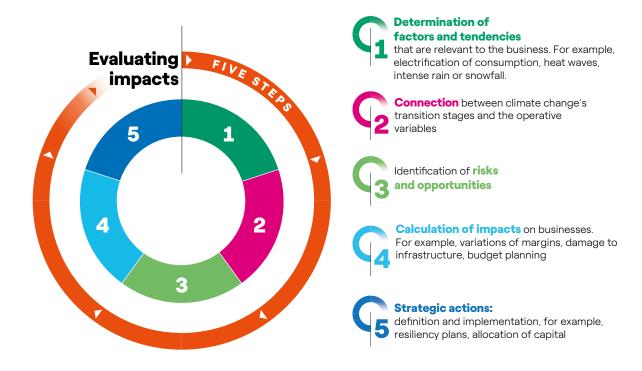
The "energy transition scenario" encompasses the industrial and economic transition towards solutions that can reduce  $\mathrm{CO}_2$  concentrations in the atmosphere, while issues related to future trends in climate variables (in terms of acute and chronic phenomena) define the so-called "physical scenario", which considers:

- Acute events: heat waves, droughts, floods and frost, among others and their potential impact on industrial assets.
- Chronic events: related to climatic structural changes, such as rising temperatures or sea levels. This can lead, for example, to changes in the construction of plants or modifications in electricity consumption in residential and commercial areas.

Scenarios are built with a view to creating a general framework that ensures consistency between transition assumptions and climate projections. Adopting the described scenarios and their integration into business processes consider the TCFD guidelines and is a facilitating factor for the assessment of risks and opportunities related to climate change. For this reason, the Group has built a channel for constant dialogue and collaboration with experts in the field of climate change. In addition, it has structured itself to manage high-resolution post downscaling climate scenarios and has activated projects dedicated to developing the skills needed to translate the complexity of climate modeling into useful information to understand its effects on the business and to support strategic decisions at a local level.

The acquisition, as well as processing of the large amounts of information and data needed to define scenarios and the identification of the methodologies and high-resolution metrics needed to interpret complex phenomena in the field of climate scenarios, requiring a continuous dialogue with both external and internal references. To this end, the Group works with a platform approach, equipping itself with tools that guarantee solid and accessible information. The process that translates scenario phenomena into useful information for industrial and strategic decisions can be summarized in five steps:





## The transition scenario

The transition scenario describes how energy production and consumption in the various sectors evolve in an economic, social, political and regulatory context. They consist with different greenhouse gas (GHG) emission trends and, therefore, how they correlate with the Representative Concentration Pathway (RCP) climate scenarios.

Worldwide, the Enel Group uses scenarios that stem from benchmarking analysis of external scenarios and currently known policy objectives. For the main countries where they operate, the Group develops consistent transition scenarios using system energy models; if internal models are not available, risks and opportunities are assessed through the analysis of scenarios produced by third parties, as described above.

The main assumptions considered in the definition of transition scenarios are:

- Local policies and regulatory measures to fight climate change, such as measures to reduce carbon dioxide emissions and fossil fuel consumption, increase energy efficiency and decarbonize the electricity sector, among others.
- Global macroeconomic and energy environment. For example, in terms of gross domestic product, and population and commodity prices, considering international benchmarking studies, including the International Energy Agency (IEA), Bloomberg New Energy Finance (BNEF), International Institute for Applied Systems Analysis (IIASA) and others¹.
- Evolution of energy production, conversion and consumption technologies, both in terms of technical operating parameters and costs.

In 2021, the Enel Group reviewed the medium- to long-term energy transition scenarios framework, defining three alternative scenarios.

<sup>1.</sup> With respect to IIASA, for example, the fundamentals related to commodity demand and population underlying the "Shared Socioeconomic Pathways (SSPs)" were considered, in which different scenarios describing socioeconomic development levels and policies are projected alongside climate scenarios. The information derived from the SSPs is used, together with internal modeling, to support long-term forecasts such as commodity prices and electricity demand.





- "Slow Transition" scenario: Characterized by a slower energy transition, which does not allow for the objectives of the Paris Agreement to be achieved. This scenario considers a lesser increase in the use of renewables and lower electrification as compared to the Paris scenario, especially in the short term, i.e., it assumes a delay in the implementation of the transition.
- "Paris" scenario: Foresees a level of climate ambition significantly higher than business as usual, in which the increased ambition is based on greater electrification and presence of renewables.
- "Best Place" scenario: Built to test more ambitious assumptions than the "Paris" scenario. This scenario also meets the objectives of the Paris Agreement, but considers a broader portfolio of technological solutions, e.g., a higher penetration of green hydrogen (produced from renewable electricity), which is widely used in the so-called hard-to-abate sectors, facilitating the decarbonization process towards net-zero emissions.

The Enel Group has chosen the "Paris" scenario as a reference for long-term planning. Unlike last year, when the reference scenario was the current policies or business as usual model, this scenario contemplates the achievement of the objectives of the Paris Agreement and was chosen because of the increase in Net Zero commitments during 2021 observed in various countries, which currently cover 88% of global emissions, and the outcomes of COP26. Based on this, it is assumed that, at a global level, governments, companies, organizations and citizens will effectively participate in the common effort to mitigate greenhouse gas emissions.

Regarding the possibility of assuming the achievement of the more demanding facet of the Paris Agreement, that is to limit the increase in global average temperature to 1.5°C, as a reference scenario for long-term planning, there is still uncertainty that some countries could maintain inertial trajectories, delaying the process of decarbonization towards zero net emissions by 2050.

Given this premise with respect to the external context, Enel Group operates a business model that is in line with the more ambitious Paris Agreement targets, i.e., consistent with a global average temperature increase of 1.5°C by 2100. Enel has set itself the long-term goal of achieving zero direct emissions (Scope 1), with fully renewable electricity generation and intermediate targets by 2023 and 2024.

The assumptions on the evolution of raw material prices that are incorporated into the Paris scenario are consistent with the external scenarios that achieve the objectives of the Paris Agreement. Specifically, the Group is working on a sustained growth in CO<sub>2</sub> prices until 2030, caused by the progressive reduction of permits in the face of growing demand, and a stabilization of coal prices, due to a declining demand. As for gas, price tensions are expected to ease in the coming years, in view of realigning global supply and demand trends. Finally, the price of oil is expected to stabilize progressively, with peak demand estimated around 2030. For further details, see <a href="Enel Spa's Sustaina-bility Report">Enel Spa's Sustaina-bility Report</a>.



# The physical climate scenario

Three climate scenarios which are consistent with those published in the Sixth Report of the Intergovernmental Panel on Climate Change (IPCC)<sup>2</sup> were selected for the assessment of physical risks. These scenarios are characterized by a level of emissions according to the Representative Concentration Pathway (RCP), and each is related to one of the five scenarios defined by the scientific community as Shared Socioeconomic Pathways (SSP). The SSP scenarios contemplate general assumptions about population, urbanization, etc. The three physical scenarios considered are:

Scenario	enario Increase in average temperature above pre-industrial levels (1850-1900)		
RCP 2.6	+1.5°C by 2100 (IPCC projects ~+1.8°C on average with a 78% chance of remaining below +2°C). This scenario is used by the Panel both for the assessment of physical phenomena and for analyses that consider an energy transition consistent with ambitious mitigation targets. For analyses that consider both physical and transition variables, the Panel associates the SSP1-RCP 2.6 scenario with the "Paris" and "Best Place" scenarios <sup>3</sup> .		
RCP 4.5	+2.7°C by 2100. This scenario has been identified by Enel as the most appropriate to represent the current global climate and policy context and is consistent with commonplace estimates of temperature increase that consider current and announced policies at the global level. In analyses that consider both physical and transition variables, the Group associates the SSP2-RCP 4.5 scenario with the "Slow Transition" scenario <sup>4</sup> .		
RCP 8.5	+4.4°C by 2100. Compatible with the worst-case scenario in which no measures are implemented to combat climate change ("Business as usual").		

Climate scenarios are global. Therefore, to define their effect on the areas of relevance to the Group, they established a collaboration with the Department of Earth Sciences of the International Center for Theoretical Physics (ICTP) in Trieste. As part of this joint effort, ICTP provides projections of the main climate variables with a resolution ranging from ~12 km² to ~100 km² grids and a time horizon from 2020 to 2050. The main variables are temperature, snow and rain precipitation, and solar radiation. Compared to the analyses performed in the past, the current studies are based on the use of several regional climate models: the one developed by ITP combined with five other simulations that were chosen to the set of climate models currently used in the literature. The scientific community favors this approach to obtain a more robust and unbiased analysis in the different assumptions, than what could be reached if using a single model.

In this phase of the study, future projections for the Enel Group were analyzed, including Chile among the South American countries included. The use of a set of models yielded a more precise representation of the physical scenario.

The analyses performed on the physical scenarios considered both chronic and acute phenomena. Some of these phenomena's require an additional level of complexity, as they depend not only on climatic trends but also on the specific characteristics of the territory and require further modeling for high-resolution representation. For this reason, in addition to the climate scenarios provided by ICTP, the Group also uses Natural Hazards maps.

This tool makes it possible to obtain, with high spatial resolution, the return times of a series of events, such as storms, hurricanes and floods. The use of these maps, as described in the section "Risks and strategic opportunities related to climate change", is well-established within the Group, as Enel already uses this data, based on historical projections, to optimize insurance strategies. In addition, work is underway to be able to take advantage of this processed information for climate scenario projections.

<sup>2.</sup> IPCC Sixth Assessment Report, Working Group 1, "The Physical Science Basis" (2021)

<sup>3.</sup> IPCC Fifth Assessment Report, Working Group 1, "Long-term Climate Change: Projections, Commitments and Irreversibility"

<sup>4.</sup> Climate Action Tracker thermometer estimates of global warming to 2100 considering the "Policies and Actions" and "2030 targets only" streams (updated November 2021).





## **Latin America**

### **Acute phenomena**

To have an overview of the entire continent and to identify the areas of greatest interest for further study, a selection of acute phenomena was analyzed using standard metrics. The analyses were performed by processing data from a set of 6 climate models with a spatial resolution of 25km x 25km.

To study the phenomenon of extreme temperatures, the Group used the "Warm Period Duration Index" (WSDI), which considers heat waves characterized by at least 6 consecutive days with a maximum daily temperature above the 90th percentile. Comparing the period 2030–2050 with the

period 1990-2020, the data shows a significant increase in days characterized by heat waves already in the RCP 2.6 scenario, especially in northern Chile. This increase in extreme temperatures will be even more pronounced in the other scenarios, especially in RCP 8.5.

As for extreme precipitation, daily precipitation above the ninety-fifth percentile was considered. Future changes for this phenomenon are less homogeneous. In the RCP 2.6 scenario, reductions are projected in some areas, while in other areas, increases in extreme precipitation are expected.

# Heat wave duration index (heat stress): differential between RCP 2030-50) and historical period (2000-2020)



## Δ days

0.10 10.20 20.30 30.40 40.50 50.60 60.100

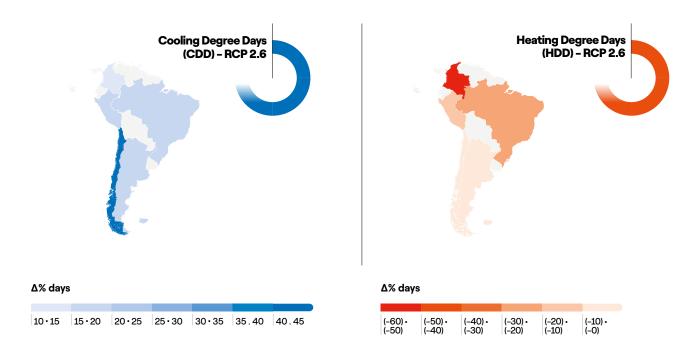


### Chronic phenomena:

A study was made of possible variations in heating and cooling demand related to chronic changes in temperatures. Also in this case, variations in Heating Degree Days (HDD) and Cooling Degree Days (CDD), in the period 2030-2050, were calculated with respect to the period 1990-2020, based on data from 6 models, with a resolution of 25km x 25km. The average data per country was calculated as an above national average, weighting each geographic node against

its population using the Shared Socioeconomic Pathways (SSP), which were in turn linked to each RCP scenario. In each country studied, CDDs increase progressively in all scenarios: in the RCP 2.6 scenario they increase by 42% in Chile. In the RCP 4.5 scenario, this increase becomes 108% in Chile. The increase in CDD compared to the historical period is even more marked in the RCP 8.5 scenario. As for HDD, a reduction is estimated in the RCP 2.6 scenario. This trend intensifies in the RCP 4.5 scenario.

# CDD and HDD in countries of interest to the Group: Differential between RCP 2,6 and historical period (2000–2020)



Regarding precipitation, variations in the basins of interest for Enel Chile's hydroelectric generation were analyzed. The first analyses, which compared the 2030-2050 projections in the three scenarios compared to the historical period 1990-2009, showed mainly a trend of chronic reduction of precipitation. The most significant average decreases are expected in Chile, with values of just under 10%. An in-depth analysis of the average data in Chile shows that in the basins considered the expected rainfall in the period 2030-2050 is in line with what has already been happening over the last decade (2010-2019); these data show that climate change is already being felt in these basins, if they compare their status to the historical period considered as a reference.





# Strategy to address climate change

The sustainable business model developed in the last decade has allowed Enel Chile to create value for all its stakeholders by capturing the opportunities arising from the energy transition. To this end, the Company has focused its actions on decarbonization by closing coal-fired plants, and through investments aimed at increasing renewable energy capacity, enabling network infrastructures and implementing platform models, thus taking full advantage of the technological and digital evolution, favoring electrification and developing new services for customers. In this decade, actions aim at rapidly contributing to the objectives of slowing down the impacts

generated by global warming, in accordance with the new goals set at COP26.

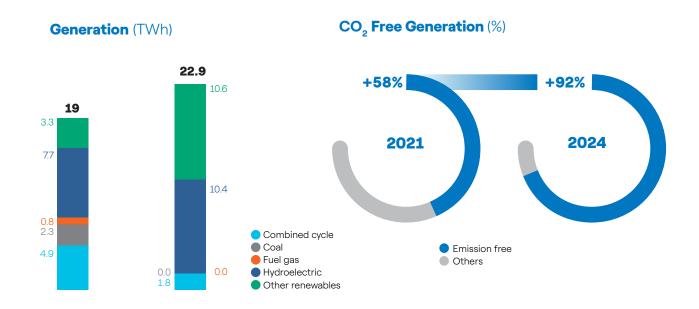
In this context, the 2022-2024 Strategic Plan, presented in November 2021, places the acceleration of energy transition at the center of corporate strategy, alongside sustainable growth, creating tangible value for shareholders, customers, the company, people and the environment.

For further information, see chapter <u>Energy transition and</u> decarbonization.



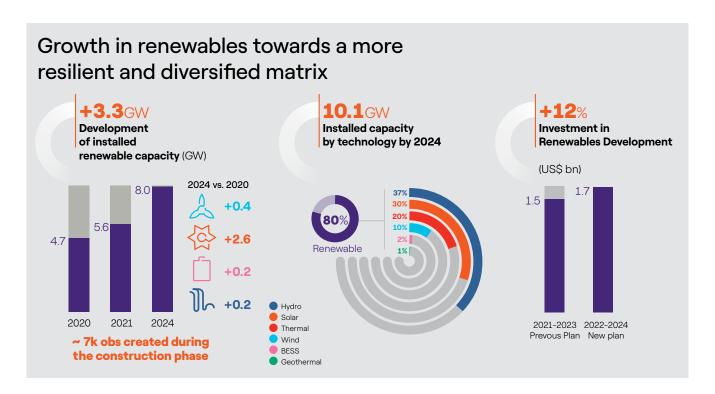


Our sustainable progress



The 2022–2024 Strategic Plan contemplates investments of US\$ 2,623 million, 71% of which will be allocated to increasing renewable generation capacity.

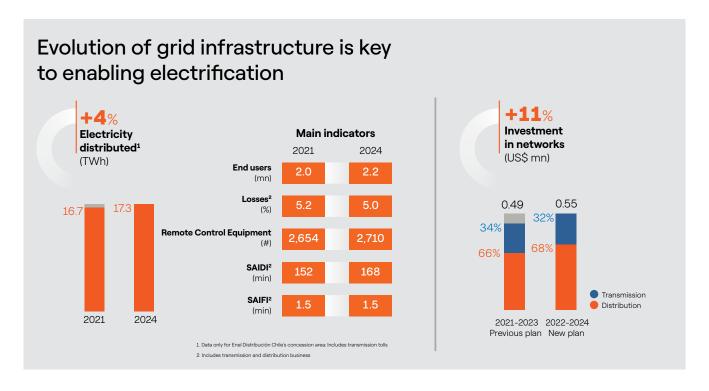
With these investments, by 2024, 92% of Enel Chile's generation will be renewable. Likewise, 7% of the CAPEX will be allocated mainly to investments in improvements and maintenance of existing thermal plants, to provide flexibility and reliability to the system on the path to Net Zero.



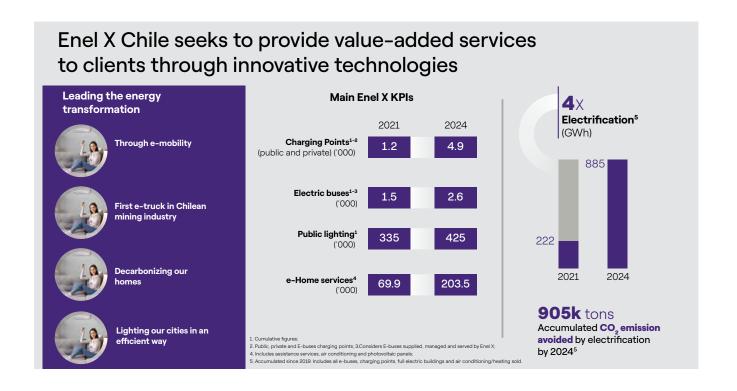




On the other hand, distribution and transmission infrastructure and networks play a central role in the energy transition as a facilitator of electrification. Therefore, 21% of the CAPEX 2022-2024 will be allocated to new connections and the digitalization of the grid, which will not only increase access to clean energy, but also the reliability of the grid, key aspects that will allow customers to manage their own consumption, always acting as a more active consumer and participant in the dynamics of the electricity.

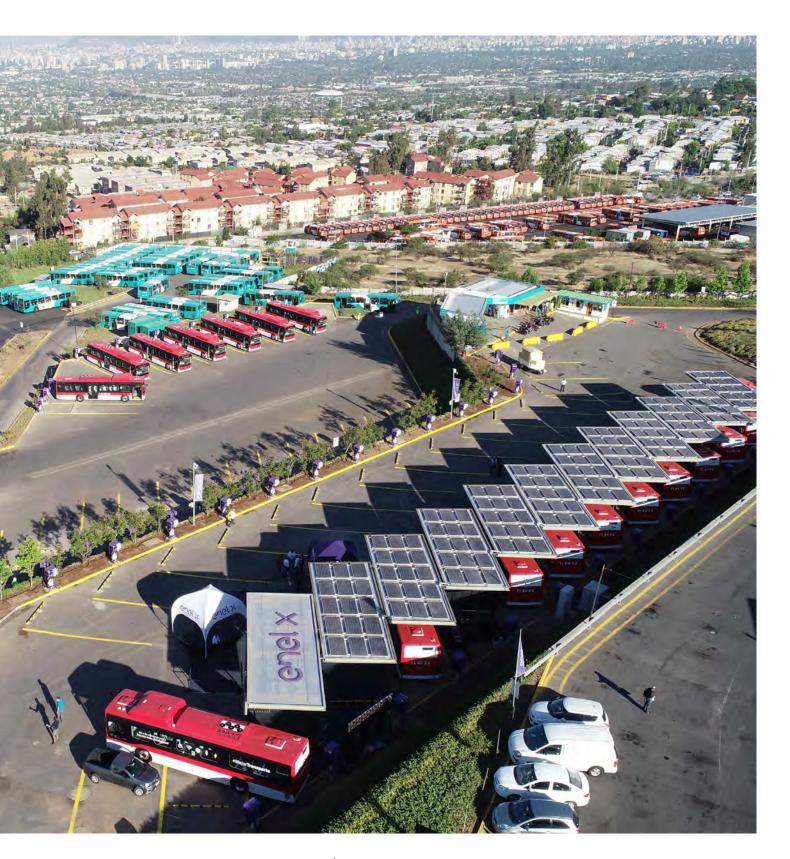


The remaining 1% of the investments will be allocated to the electrification of energy consumption, with products and services such as charging infrastructure, electric buses, efficient lighting points, among others. The aim is to accelerate customers path towards sustainability and energy efficiency, combining a more traditional offering with "beyond kWh" services. This activity will benefit from the customer base, digital platforms and a growing integrated portfolio of offerings.









The Strategic Plan calls for total EBITDA to reach US\$1.7 billion by 2024, as a result of investments and a commercial strategy focused on customer solutions through an integrated offering. Leveraged from the expansion of renewable generation, electrification enables progress towards Net Zero and new business opportunities, by moving to a customer-focused platform model.

For further information, see the <u>2022-2024 Strategic Plan presentation</u>



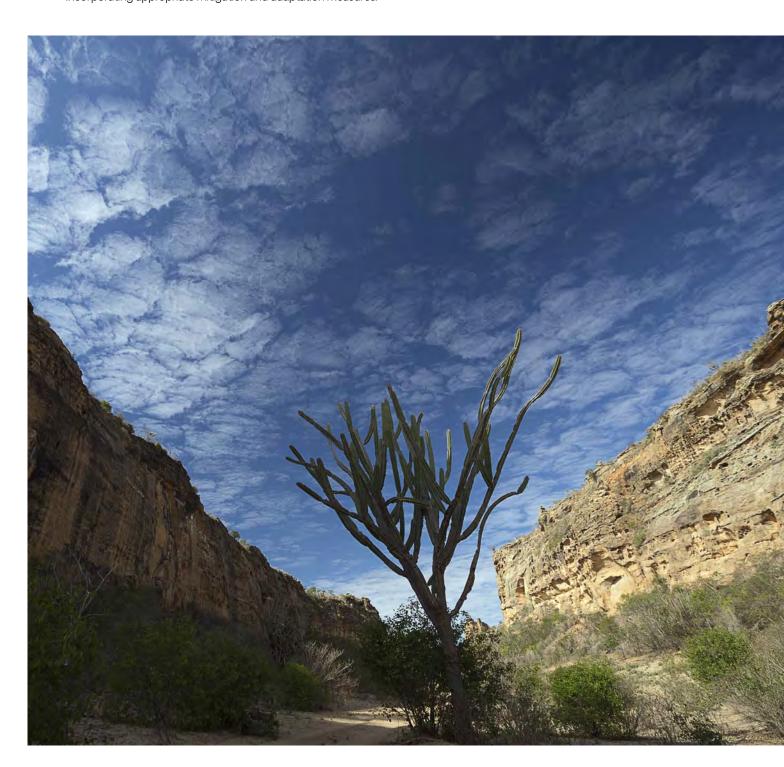
# Main risks and opportunities related to climate change

Our ESG performance

To formulate its strategies, Enel Chile considers closely the associated risks and opportunities, including those concerning climate change.

At the Enel Group level, an analysis framework consistent with TCFD recommendations has been adopted to explicitly represent the main relationships between risk types and opportunities, and scenario variability, indicating methods, and strategic and operational management concerns, and incorporating appropriate mitigation and adaptation measures.

As a result of this analysis, two categories of risks and opportunities were identified: those derived from the evolution of physical variables; and those derived from the evolution of transition scenarios and their possible effects on the business. All this, with a view to three temporal horizons: short, medium and long term. Once identified, a sensitivity analysis is carried out at Group level in line with the Strategic Plan presented in 2021.







Event	Time horizon	Risk and opportunity category	Description	Possible impact
Acute physical	Beginning with short term (1 to 3 years)	Extreme event	<b>Risk:</b> Particularly extreme weather events, in terms of their intensity.	Damage to assets and service interruptions.
Chronic physical	Beginning g with long term (2030- 2050)	Market	Risk/opportunity: higher or lower electricity demand, higher or lower production.	Electricity demand, as well as generation, is also influenced by temperature. Therefore, temperature fluctuations can have an impact on business.
Transition	Beginning with short term (1 to 3 years)	Policy & Regulation	<b>Risk/Opportunity:</b> CO <sub>2</sub> price and emissions policies, energy transition incentives and resilience regulation.	Policies may affect the required investments.
Transition	Beginning with medium term (2025–2029)	Market	Risk/opportunity: Changes in raw material and energy prices, evolution of the energy mix, changes in retail consumption, changes in the competitive structure.	Considering two alternative transition scenarios, the Group evaluates the effects of trends in terms of the increase of renewable sources in the energy mix, electrification and the penetration of electric transportation, to assess potential impacts.
Transition	Medium Term (2025-2029)	Products & Services	Opportunities: Higher margins and a greater investment capacity as a result of the transition, considering the	Considering two alternative transition scenarios, the Group assesses the impact of different trends in the electrification of consumption.
	Beginning with medium term (2025–2029)	Technology	penetration of electric transportation and new technologies for electrification and efficiency of final consumption.	In view of the penetration of trends such as electrification and efficiency technologies, the Group evaluates the possibilities of scaling up the businesses considering two alternative transition scenarios.



#### **Enel Group management approach**

#### **Progress status Enel Chile 2021**

Adopt best practices to manage the return to operations in the shortest possible time. Invest in asset resilience plans. Asset Loss Prevention Program, including exposures linked to natural events.

Enel Chile employs best practices to ensure that service restoration is as fast as possible. It also has investment plans focused on automating and digitalizing the operation and maintenance of the network, thereby increasing the resilience and flexibility of the distribution and transmission channels. Additionally, Enel in Chile has a loss prevention program that covers property risk, and which evaluates exposures to natural events. This program will be expanded to consider the potential impacts of long-term trends in the most significant climatic variables.

Geographical and technological diversification mitigates the impact. Permanent information on meteorological phenomena informs management decisions, adopting a series of practices such as, for example, weather forecasts, real-time plant monitoring, and long-term climate scenarios.

Enel Chile is diversified in terms of geography and technologies, applying data driven models for the optimization of generation and management of its assets to adapt and plan its generation according to the impacts of temperature on demand and production.

#### Closing coal-fired plants.

Investments in renewables, networks and customers allow us to mitigate potential risks and take advantage of opportunities linked to energy transition. The Group also makes an active contribution to the definition of public policies through advocacy and by participating in roundtables convened by the authorities to explore national decarbonization scenarios in environmental, economic and social terms.

In addition to bringing forward the closing of coal-fired plants by 18 years, Enel Chile is involved in the definition of public policies; for example, working together with the State of Chile in the Just Transition Roundtable.

Maximizes opportunities through a strategy focused on energy transition, the strong development of renewable production and the electrification of consumption.

In the field of energy generation, the increase of renewable plants represents another key strategic driver for Enel Chile to achieve decarbonization and electrification, and thus reach Net Zero in 2040. The 2022-2024 Strategic Plan supports this course of action as it contemplates increasing renewable capacity and enhancing the quality and reliability of the electricity supply, as well as of other services to advance electrification.

Maximizes opportunities due to its strategic positioning in new businesses and beyond basic services. Through its subsidiary Enel X, the Company promotes the acceleration of the electrification of cities within all its business lines, implementing energy efficiency projects to support customers and mitigate the carbon footprint of its operations, while exploring new industrial sectors.

Maximizes opportunities through its strong strategic positioning in the networks.

The Company has implemented the "Grid Futurability" project, which will identify and prioritize the expansion and renovation of networks in the coming years, with a forward-looking approach that seeks to make better use of existing facilities, develop resilient, participatory and sustainable distribution networks, and incorporate smart grids.





To facilitate the correct identification and management of risks and opportunities pertaining to climate change, the Group published common guidelines for the assessment of risks and opportunities related to climate change in 2021, this included Enel Chile as its subsidiary. The "Climate Change Risks and Opportunities" policy defines a shared approach to the integration of climate change and energy transition into the Group's processes and activities, thus informing industrial and strategic choices to enhance business resilience and long-term sustainable value creation, in line with the adaptation and mitigation strategy.

The main stages considered in the Policy are:

#### Prioritization of phenomena and scenario analysis.

These activities include the identification of physical and transitional phenomena relevant to the Group, and the subsequent development of scenarios to be considered, obtained from the analyses of both internal and external sources. For the phenomena identified, functions can be developed that link the scenarios (e.g., data on the variation of renewable resources) with the operation of the business (e.g., change in expected manufacturing capacity).

**Impact assessment.** Includes all the analyses and activities necessary to quantify the effects at the operational, economic and financial levels, depending on the processes in which they are integrated (e.g., design of new buildings, evaluation of operational performance, etc.).

Operational and strategic actions. The information obtained from previous activities is integrated into processes, informing the Group's business decisions and activities. Examples of activities and processes that benefit from it are capital allocation, for example for the evaluation of investments in existing assets or new projects, the definition of resilience plans, risk management and financing activities, Engineering and Business Development activities.

Following, is the description of the main identified sources of risks and opportunities, the best operational practices for managing weather and climate events, and the qualitative and quantitative impact assessments conducted to date. All these activities are carried out throughout the year through an ongoing commitment to analyze, evaluate and manage the information processed. As stated by the TCFD, the process of disclosing climate change-related risks and opportunities will be gradual and incremental from year to year.

# Identification, assessment and management of risks and opportunities related to physical events

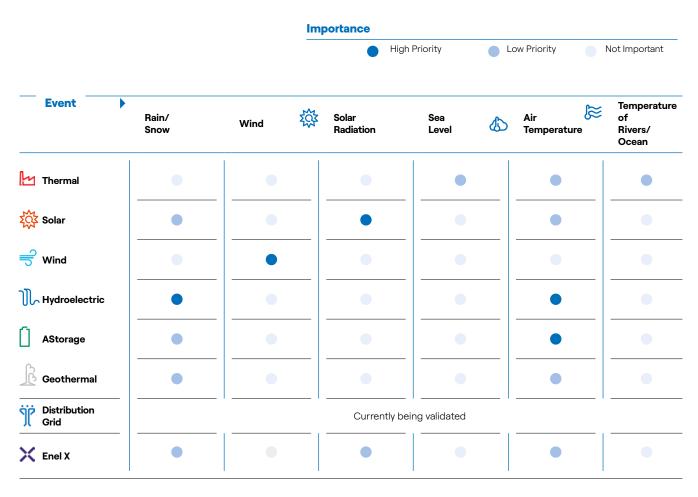
The main impacts of chronic physical changes can have effects on the following variables:

- **Electricity demand:** change in the average temperature level could affect the potential increase and/or reduction of electricity needs.
- Thermoelectric production: variation in average sea and river levels and temperatures could affect thermoelectric production.
- **Hydroelectric production:** change in the average level of precipitation and snowfall and temperatures could increase and/or reduce hydroelectric production.
- Solar production: change in the average level of solar radiation, temperature and rainfall, could increase and/ or reduce solar production.
- Wind production: change in the average wind level could increase and/or reduce

With respect to the effects of chronic physical changes, the Enel Group, including Enel Chile, will work to better estimate the relationships between changes in physical variables and variation in the manufacturing capacity of individual plants for different technologies.

As part of the evaluation of the effects of long-term climate change, the Group proceeded to identify the relevant chronic events for each technology, and to begin the analysis of their relative impacts in terms of producibility.





The evidence of the first scenario shows that chronic structural changes in recent trends in physical variables will manifest themselves in a sensitive manner from 2030 onwards. However, to have an indicative estimate of the potential impacts, and to include the possibility of anticipating chronic effects, it is possible to stress test the industrial plan on the factors that could be influenced by the physical scenario, without considering a direct relationship with the climate variables.

# **Effect of temperature variation on electricity demand Chile**

The impact of temperature trends, quantified through the Heating Degree Days (HDD) and Cooling Degree Days (CDD) metrics, was estimated through econometric forecasting models based on historical elasticity.

South America shows positive elasticity of electricity demand to temperatures, the expected increase in temperatures would still have a smaller impact than the dynamics related to economic growth. In fact, historical evidence in Chile still presents a strong link between electricity demand growth and GDP growth, with demand from the industrial sector accounting for about 50% of electricity consumption. In addition, the variability of the macroeconomic context could have an impact on the electrification of the residential and tertiary sectors, which

represent the most immediate drivers of electricity demand growth in the event of rising temperatures.

Following, is a summary table with the ranges of the main temperature effects obtained by applying a 95% confidence interval to our base case:

Effect of temperature variation on electricity demand in the countries of the South American Group (average 2030-2050)



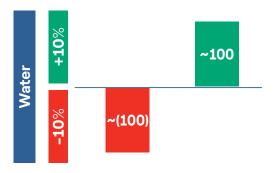


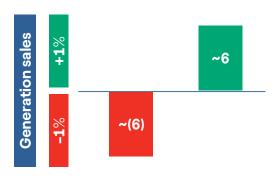
	Effect of temperature (annual aver	age)			
Ë	From. RCP 2.6 to RCP 4.5	Fron	m. RCP 2.6 to RCP 8.5		
edc	TWh	%	TWh	%	
<u>5</u>	0.05	0.0%	0.1	0.1%	
. <del>L</del>	Effect of temperature (annual aver	age)			
<u>:</u>	From. RCP 2.6 to RCP 8.5	Fron	n. RCP 2.6 to RCP 4.5		
wer	TWh	%	TWh	%	
P	0.01	0.0%	0.01	0.0%	

**Simulations are performed** to have an indicative estimate of the potential impacts, it is possible to carry out a sensitization of Enel Chile's Business Plan with hydroelectric generation (-/+10% in one year) and the variation in demand (-/+ 1% per year) to determine the annual impact on EBITDA.

### 2022 - 2044 plan main considerations

annual impact on 2022-2024 EBITDA (Millions of US\$)





### **Acute physical hazards**

Regarding acute physical phenomena, extreme events can cause significant and unexpected physical damage to assets and potential consequences resulting from service interruption.

In the context of climate change scenarios, the acute physical component is important in defining the risks to which the Enel Group, and Enel Américas as its subsidiary, is exposed, both because of the geographic diversification of its asset portfolio and the importance of renewable natural resources in electricity production.

Acute physical phenomena such as windstorms, floods, heat waves, frost waves, etc., are characterized by high intensity and moderate frequency of occurrence in the short term, but with an upward trend in long-term scenarios.

The risk associated with the occurrence of extreme events is being managed in the short term, while the methodology is also being extended to longer time horizons (up to 2050) according to the selected climate scenarios (RCP 8.5, 4.5 and 2.6), considering the probability of the event, vulnerability and exposure, as described in Enel Spa's sustainability report.

Time Frame	Event probability	Vulnerability	Exposition
Short term (1-3 years)	Probability maps based on historical data and weather models	Vulnerability, being linked to the type of extreme event, the type of damage and the technical	Short-term group securities
Long term (up to 2050 and/or 2100)	Probability maps and specific studies for different IPCC RCP climate scenarios		Values of the group in its long- term evolution



#### Short-term extreme event risk management

In the short-term horizon (1-3 years), Enel Group, in addition to what has been illustrated above in terms of risk assessment and quantification implements actions focused on reducing the impacts that the business may suffer because of extreme catastrophic events. To this end, two main types of actions are defined, on the one hand, implementing effective insurance coverage at the Global level, covering all subsidiaries, including Enel Américas, and on the other, various activities carried out in each country that relate to the prevention of damages that could result from extreme events.

The two main insurance programs are:

- The Global Property Program covers, within the terms of its policies, the costs of reconstructing affected facilities, and the economic loss resulting from nonfunctioning facilities.
- The Global Liability Program covers, within the conditions
  of the policy, damages to third parties for which Enel is
  civilly liable, including those that may result from the
  impact of extreme events on the company's facilities.

Policy conditions are drafted according to an adequate risk assessment, including extreme events associated with climate change which could, based on past events, have a relevant impact on normal activities.

In any case, the actions that each subsidiary carries out in terms of preventive maintenance of generation and distribution facilities are also important and necessary. On the one hand, these actions mitigate the impact of extreme events and, on the other, optimize the costs of global insurance programs.

# Climate change adaptation activities within Enel Group

To effectively manage acute or extreme events and chronic physical changes, Enel Group and its subsidiaries implement solutions to adapt to weather and climate events, and so reduce their impact on business.

Among the main activities necessary for adaptation to climate change, assessing and managing risks associated with extreme events is pivotal in the short term. At the same time, we are already working on progressively integrating quantitative assessments of chronic physical changes through climate scenarios. This information helps strategic and industrial decision–making by allowing variables such as the future effects of temperature on electricity demand, or long–term variations in the availability of renewable resources, both for new investments and for existing installations, to be factored in.

This approach is considered both for new as well as existing activities and facilities. Adaptation solutions can include both actions implemented in the short term and long-term decisions, for example, investment planning in response to climate events. Adaptation activities also include procedures, policies and best practices.

For new investments, action can be taken as early as the design and construction phase to reduce the impact of climate risks, for example by assessing risks and vulnerability in the design phase, and to consider possible chronic effects, for example by including climate scenarios in long-term renewable resource estimates.

Once the meteorological and climatic phenomena of interest have been identified, the activities implemented to maximize adaptive capacity are classified as follows:

- Prevention and management of adverse events:
   Procedures to prepare in preparation of possible extreme events (e.g., acquisition of short-term forecast meteorological data and training), and procedures for the restoration of normal activities in the shortest period (e.g., definition of operational and organizational procedures to be implemented in case of critical events).
- Strengthening asset resilience: Activities and interventions aimed at increasing asset resilience, such as quantitative assessment of potential acute and chronic risks to better define both the requirements at the design phase and the actions to be implemented on existing assets.





Business line	A. Prevention and treatment of adverse events	B. Increased asset resilience
	Existing assets	Existing assets
	1- Incident and Critical Event Management	1- Guidelines for risk assessment and design of
		hydraulic technology
L C	2- Site-specific emergency management plans	2- "Lessons learned feedback" processes in plant
atic	and procedures	operation, construction and development at Group level
Generation	3- Specific tools to predict upcoming extreme	New construction
Ge	events	1- Climate Change Risk Assessment included in
		environmental impact documents in pilots at Group level.
		For further information see "The Future of
		Generation".
ź	Existing assets	Existing assets and new construction
and network	1- Strategies and guidelines on risk prevention,	1- Guidelines for defining plans to increase network
ne.	preparedness, response, and recovery actions in	resilience (e.g., "Network Resilience Enhancement
pu	the distribution network.	Plan").
	2- Global infrastructure and network guidelines for	For further information see "Resilience and digitization
Ę	emergency and critical events management.	of the network"
tru	3- Risk prevention and fire preparedness	-
Infrastructure	measures for electrical installations (lines,	
<u>lı</u>	transformers, etc.)	

# Identification, assessment and management of risks and opportunities related to transition events

Regarding the risks and opportunities associated with the transition variables, looking at the different reference scenarios in combination with the elements that make up the risk identification process (e.g., competitive context, long-term vision of the industry, materiality analysis, technological evolution, etc.), the drivers of the potential risks and opportunities are identified, and priority is given to the most important phenomena. The main risks and opportunities being considered are:

#### **Policy and regulation**

Emission limits and carbon pricing, with a strict regulation either through regulatory or market mechanisms.

- **Opportunities:** regulatory mechanisms such as market mechanisms that strengthen carbon price signals, incentivizing investments in renewable plants.
- **Risk:** lack of a coordinated approach by the various stakeholders, delaying electrification and decarbonization, pillars of the Group's strategy.

**Incentives for energy transition,** to direct the energy system towards a low-emission generation mix with greater electrification, energy efficiency, flexibility of the electricity system and strengthened infrastructure.

- Opportunities: additional volumes and margins in line with the Group's strategy.
- Risk: obstacles to progress in the energy transition, with inadequate regulatory frameworks delaying authorization

**Resilience regulation to improve standards,** or introduction of ad hoc mechanisms to regulate resilience investment, in a context of evolving climate change.

- Opportunities: implement investments that reduce the risk in terms of quality and continuity of service.
- Risk: in case of extreme events, delays in the recovery of the service within the times established in the regulation.

**Financial measures for energy transition,** allowing for the integration of sustainability issues in financial markets and financing instruments.

- Opportunities: greater availability of resources with the consequent lower cost of financing.
- Risk: insufficient measures or delaying their adoption, which could hamper financing alternatives.



#### Market

**Market dynamics,** such as those related to the variability of raw materials prices, the increase in electricity consumption due to the energy transition and the penetration of renewables, all of which have an impact on business drivers, with effects on margins, production and sales volumes.

- **Opportunities:** Positive effects from increased electricity demand and more room for renewables and alternatives, more flexibility.
- Risk: volatility of market prices

### **Technology**

**Progressive penetration of new technologies to support the transition,** such as storage, demand response and green **hydrogen;** digital leverage to transform operating models and "platform" business models.

- **Opportunities:** Investments in the development of technological solutions, as well as positive effects derived from an increase in electricity demand, and a bigger space for renewables derived from the production of green hydrogen.
- **Risks:** Slowdown and disruption in the supply chain of raw materials, including battery metals (such as lithium, nickel and cobalt) and semiconductors, could lead to supply delays and/or higher costs, resulting in a slower penetration of renewables, storage solutions and electric vehicles.

#### **Products and Services**

**Electrification of residential consumption and industrial processes,** with the proliferation of products that can guarantee lower costs and impact in terms of emissions.

- **Opportunity:** Increase in electricity consumption in the context of a reduction in energy consumption, thanks to the increased efficiency of the electric carrier.
- Risks: Increased competition in this market segment.

**Development of electric mobility,** with charging infrastructure that enables the adoption of more efficient forms of transportation from an environmental perspective.

- **Opportunity:** Positive effects from increased electricity demand and higher margins linked to the penetration of electric transportation and related services beyond commodities.
- Risks: Increased competition in this market segment.

In contrast to chronic climate impacts, evidence of the transition scenario may already have impacts in the short, medium— and long-term (by 2030).

To quantify the risks and opportunities arising from the long-term energy transition, the transition scenarios described in the preceding section "Climate scenarios" were examined. Therefore, the Group identified the effects of the Slow Transition and Best Place scenarios on the variables that could have the greatest impact on the business, in particular electricity demand, influenced by the dynamics of the electrification of consumption -therefore, of the penetration of electric technologies- and of the electricity generation mix.

The Paris Scenario, together with Enel's reference scenario, foresees a growing ambition in terms of decarbonization and energy efficiency, which is also supported by further electrification of final energy consumption and further development of renewable capacity. The dynamics related to the energy transition will bring growing opportunities for the Group. In particular, the progressive electrification of final consumption - particularly the transport and residential sectors - will lead to a significant increase in electricity consumption. Similarly, the progressive increase of renewable energies in the energy mix should lead to a reduction in the wholesale electricity price in the medium and long term; however, this impact is limited, considering that the market design, based on the marginal pricing system, has not changed in the medium-term. Any alternative market structure could induce different effects.





Regarding the economic impacts that could be determined by the different transition scenarios, the Group has conducted analyses that study the impacts in terms of EBITDA that the Slow Transition and Best Place scenarios would bring to the 2030 results, compared to the Paris reference scenario.

In terms of the electrification of consumption, the Slow Transition scenario foresees lower penetration rates of the most efficient electricity technologies, in particular electric cars and heat pumps, leading to a decrease in electricity demand compared to the Paris scenario, which is estimated to have limited impacts. At the same time, lower electricity demand translates into less room for the development of renewable capacity, affecting the generation business.

The Best Place scenario would bring a faster reduction in the costs of technologies for producing green hydrogen. This would translate into a faster penetration of this energy carrier to the detriment of blue and grey hydrogen, with the consequent additive effect on national electricity demand and renewable capacity installations, as compared to the Paris scenario.

All scenarios, and a greater extent the Paris and Best Place scenarios, will entail a considerable increase in the complexities that grids in different geographies will have to manage. Indeed, a significant increase in distributed generation and other resources, such as storage systems, a higher penetration of electric mobility with the necessary charging infrastructure, as well as the increasing rate of electrification of consumption and the emergence of new players with new consumption modes are expected. This context will lead to a decentralization of withdrawal/ entry points, an increase in electricity demand and average power required, and a strong variability of energy flows, all of which require dynamic and flexible grid management. Therefore, the Group expects that this scenario will demand incremental investments that are necessary to guarantee connections and adequate levels of quality and resilience, encouraging the adoption of innovative operating models. These investments must be accompanied by consistent policy and regulatory scenarios to ensure adequate economic returns in the perimeter of the Infrastructure and Networks Business Line.





# **Enel Chile's carbon footprint**

#### 305-5

In 2021, Enel Chile's carbon footprint was **5,384 thousand tCO<sub>2</sub>eq** (20% more than in 2020). This is mainly due to a higher production of thermal energy, triggered by the existing mega-drought in the country and materialized as follows:

Direct scope 1 emissions <sup>1</sup>	<b>5,187 thousand tCO<sub>2</sub>eq</b> (21% more than in 2020), representing 96.3% of total GHG emissions. The increase is mainly related to higher thermal generation.
Indirect scope 2 emissions <sup>2</sup>	<b>9.87 thousand</b> tCO <sub>2</sub> eq (3% less than in 2020), representing 0.2% of total GHG emissions. Of these emissions, 40.4% are related to electricity consumption.
Indirect scope 3 emissions	<b>186 thousand</b> tCO $_2$ eq (6% more than in 2020), representing 3.5% of total GHG emissions. 89.6% of them come from fugitive emissions from coal, 10.1% from the transport of coal by ocean and 0.3% from the transport of fuel, raw materials and waste.

<sup>1.</sup> For the Scope 1 Total Emissions Inventory, according to the GHG Protocol standard and in line with the Science Based Target initiative, 98.9% of emissions from thermal plants and 1.1% from other emissions are considered, the latter emissions include inventories associated with auxiliary services of production and distribution plants and Company vehicles, as well as emissions from fossil fuel combustion in boilers and office canteens.

The statements of content 305-1 GHG Emissions Scope 1 for Chile have been 100% verified, with a limited warranty level for Enel Chile's Sustainability Report. In addition to this, and as part of Enel SpA's verification, Enel Chile's Scope 1 emissions were part of the reasonable verification of this content by KPMG Italy.

2. Due to the factors considered, emissions per location are equal to those per market.





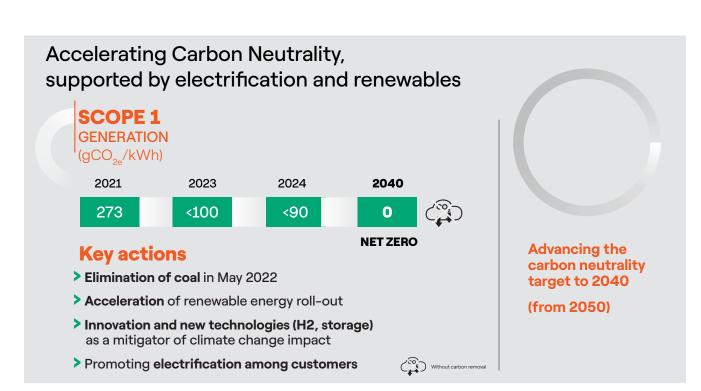


# The path to Net Zero

In 2021, Enel Chile redefined its path towards Net Zero by moving forward the goal of **carbon neutrality from 2050 to 2040**, in line with Enel Group's strategy. This demonstrates its determination to contribute to the country's environmental and social goals, as well as responding to its commitment to its shareholders and stakeholders.

Enel Chile has also defined intermediate emission reduction targets as evidence of its strategy to evolve towards a more sustainable generation mix. Thus, in 2021 the Group established a new Scope 1 emissions target: to achieve a level below 90 gCO<sub>2</sub>eq/KWh by 2024.

The closure of coal-fired plants, the addition of new renewable capacity and electrification will be the main drivers to advance this ambitious target.







The following sections will address each business area with its metrics and targets for advancing climate actions, addressing risks and opportunities.

Enel Group also defined the need to improve its Net Zero target for its Scope 3 indirect emissions. To this end, it set a target of 80% reduction of Scope 1 and Scope 3 emissions as compared to 2017, where Scope 1 included 100% of Enel Chile's generation emissions. This target is in line with the 1.5°C business model and certified by the SBTi.

Regarding Scope 2 emissions, these are very minor and although there is no target, Enel Chile is constantly looking for new ways to reduce them.

## **Metrics and Goals**

The main financial, operational and environmental metrics and objectives related to climate change risks and opportunities are available in the different sections of this report, the most important of which are summarized below.

Financial Metrics	2021	Goal by 2024
EBIDTA of low carbon products and services (thousands of Ch\$)	577	
Ratio of CAPEX of low carbon products and services to total (%)	95%	93%

Value chain segment	Operational and business metrics	2021	Goal by 2024
Generation	% Renewable capacity	70	80%
	% Renewable generation	52%	92%
Distribution	Total SAIDI (hours)	152	168
	Total loss	5.3%	5.0%
Market	Charging points (thousands)	1.2	4.9
	Electric buses (thousands)	0.9	2.6
	Smart lighting (thousands of points)	0.8	425

Environmental metrics	2021	Goal by 2024
Direct emissions intensity (CO <sub>2</sub> grs eq/MWh)	273	80
Water Extraction Intensity (I/MWh)	0.35	0.2

<sup>1.</sup> Enel Group goal

The benchmark CO₂ price for the entire Enel Group was €53.2 in 2021, and €24.7 in 2020.

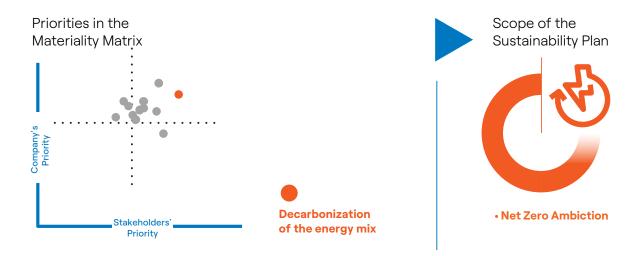
The following sections will address each business area with its metrics, targets and concrete actions to advance climate actions, addressing risks and opportunities.





# **Energy transition and decarbonization**

103-1 | 103-2 | 103-3



# Primary material issue: Decarbonization of the energy mix

#### How is it managed?

Addressing climate change requires concrete actions in the short term, for which Enel Chile is • Expansion and management of renewables. promoting the growth of renewable energies by 2.4 GW compared to 2020, according to its • Traditional technologies. Strategic Plan 2022-2024. This Plan includes storage and hybrid plants to increase flexibility • Climate change. and security of supply, as well as investments in the development of new technologies, such as green hydrogen and tidal power, all with a view to creating a diversified portfolio in terms of geographic location and technologies.

Enel Chile will close its last coal plant in 2022 under just transition principles, while seeking to optimize its gas plants as a transition alternative towards Net Zero, planned for 2040.

Thanks to these efforts, Enel Chile has a new goal of reducing its direct emissions intensity to less than 90 g CO<sub>2</sub> eq/kWh by 2024, with 92% of its generation free of greenhouse gas emissions.

#### **Material issues**

#### Importance of good management

The key role of the electricity sector is unquestionable, given its contribution to the reduction of global emissions and to the virtuous circle in the economy; even more so when derived from a renewable and emission-free energy matrix. Adequate management allows us to maintain stakeholder confidence in the ability of business models to adapt to the drastic changes required by the climate emergency. To this end, the Company has a diversified portfolio, both in terms of geographic location and technologies, which allows us to manage physical risks related to changes in weather patterns. As for transition risks, new business models are being introduced, driven by digitalization, a greater availability of technology at lower costs and the circular economy, which materializes, for example, in the construction of hybrid plants or the exploration of new energy vectors such as green hydrogen.



## Sustainable Development Goal

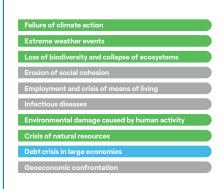




## Principles of Human Rights Policy



# World Economic Forum Risks



# **Goals and challenges**

SDG	Activity/goal	Goal plan 2021-2023	2021 results	Goal plan 2022- 2024
13	Reduction of specific direct	Less than 100 gCO <sub>2</sub> /kWh	273 gCO <sub>2</sub> /kWh	Less than 90
10	emissions			gCO <sub>2</sub> /kWh
7 13	Increase in renewable capacity	+2.4 GW compared to 2020	+ 0.9 GW compared to 2020	2.3 GW
1 13				compared to 2021
7	Closure of coal-fired plants	No coal-fired power plants by 2023	Working towards the closure of Bocamina II in 2022	No coal-fired power plants by 2023
13	Application of the sustainable plant model	100% of plants in operation	100% of plants in operation	100% of plants in operation

### **How is the Human Rights Policy applied?**

Regarding the rights of local communities  For the design, construction and operation of projects and infrastructure, committed to respecting human rights, promoting sustainable construction a based on dialogue with all stakeholders, respecting their points of view and the project.	
Environment	Enel Chile adopts and complies with voluntary commitments promoting ambitious environmental management practices, such as the <u>closure of coal-fired plants</u> , the development of <u>clean energy projects</u> and the <u>management of commodities</u> as a transitory alternative in a scenario of water scarcity.





# Leading the closure of coal-fired plants with a just transition approach

Enel Chile will be the first company in the country to close all its coal-fired plants, which will allow it to advance what was initially planned in the National Decarbonization Agreement by 18 years, positioning itself as the first conventional generator in the country to definitively eliminate coal from its energy matrix, to continue its path as the main operator of renewable energies.

Thus, in 2019, Enel Chile marked an unprecedented milestone in the country with the definitive closure of the first coal-fired plant, the Tarapacá power plant, continuing in December 2020 with the Bocamina I unit, to be followed by Bocamina II in 2022.

# Just Transition approach to decarbonization

Tarapacá 158 MW

Closure: December 2019 Workers relocated: 43 people Bocamina I

Closure: December 2020 Workers relocated: 28 people Bocamina II 350 MW

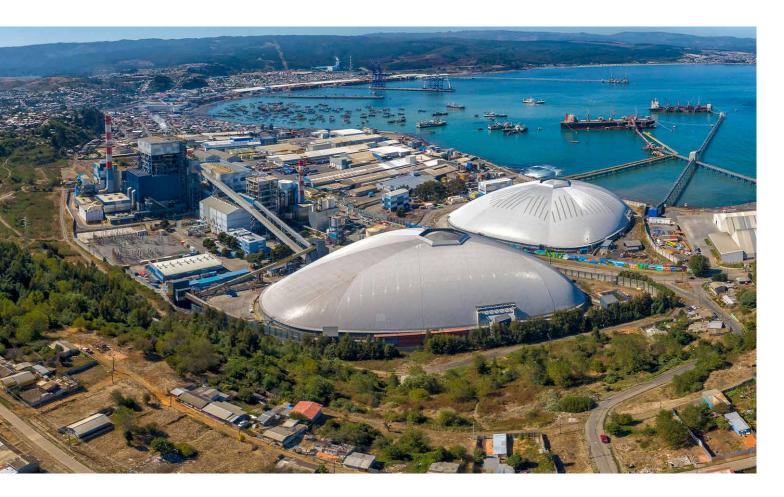
Closure: 2022

ton **CO<sub>2</sub>** avoided **3.0** Million

Using 2019 coal generation as a baseline.

**Taxes** saved **~23** USD Million

Using financial year 2019 as a baseline.





# **Principles adopted for just transition**



**Maximizing the creation of good jobs** and sustainable entrepreneurship.



**Promoting networks** with institutions and companies for the re-qualification and relocation of workers.



**Minimizing impacts** on local communities by fostering their economic autonomy.



Promoting the creation of green jobs.







# **Human Rights**

# Fair working conditions

# Respect for the rights of communities

Not only does this process consider the loss of jobs, but also other consequences that could be broader and crosscutting. Essential to maintaining this equitable approach is understanding the magnitude of all potential impacts, who will be affected by them and in what ways, and how these impacts can be well managed. It is fundamental to have an inclusive long-term vision that makes it possible to capitalize on and distribute among all stakeholders the new opportunities presented by the energy transition.

Within the just transition process there are different lines of work in which Enel Chile is committed to fulfilling its obligations and responsibilities to the communities.

In the case of Coronel, where the Bocamina plant is located, Enel Chile has been developing the path to a just transition since 2017, via the application of its program to connect with communities and reviewing the previous processes following the construction of Bocamina II in 2007, which generated a human displacement of more than 1,300 families, through the international performance standards of the International Finance Corporation.

Specifically, this has resulted in an investment of US\$ 120 million exclusively dedicated to the social plan for the recovery of the social, physical and economic capital of the families involved in the resettlement. At the same time, we have developed a long-term assessment for the fishing communities, all of which has been carried out with a human rights approach, recognized by Global Compact .Within the framework of this social plan, different Company competitive funds have gone to strengthen more than 249 long-term development projects through the Coronel Emprende Fund since its launch in 2017, all with a view to rebuilding and remediating the social fabric and decoupling the economic dependence of the communities on the companies operating locally. Along those same lines, nearly 2,700 traditional fishing projects have received backing through the Fund for the Development of Artisanal Fishing.

In addition, the Company has integrated more than 20 local SMEs to the supply chain. These provide services such as: labor to repair homes, community monitoring companies, food services, lodging, transportation and furniture suppliers.





# **Perception study in Coronel**

Enel Generación Chile conducted a qualitative and quantitative study to gauge the perception of the main stakeholders related to the operation of the Bocamina Power Plant during 2021.

To this purpose, the first qualitative stage conducted indepth interviews with members of the community and social groups, non-governmental and environmental organizations, and local political and administrative authorities, in addition to representatives of the academic and scientific worlds, the media, plant employees and the industrial sector.

In a second stage, a survey was conducted among 360 inhabitants of the municipalities of Coronel and Concepción, representative of the local population, to research the public's perception of Bocamina.

# (

# **Quantitative stage**

## Socio-energy context

- Energy production brought strong industrial development to the area, so the closure of the mines and coal-fired power plants has led to job retraining for the community.
- The closure of Bocamina is seen as a major step towards environmental recovery in the area.

#### Closure of Bocamina I

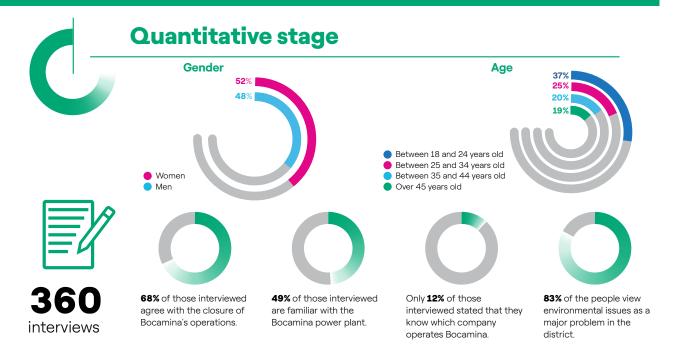
- It is seen as a real commitment by Enel to the environment, as a response to the decarbonization plan and care in the face of climate change.
- They value the Retraining Plan, which is relocating and preparing the plant's employees for other jobs and duties.

#### Local culture and city development

- Several recognize Enel's contribution to the development and progress of the city.
- The support of competitive funds is valued; however, a more participatory and supervisory role is expected in the delivery of these funds.
- Enel stands out for financing initiatives of the Interactive Center of Sciences, Arts and Technology as well as scholarships for fishermen's children.

## What do they expect from Enel?

- Enel's involvement and support in the city's development.
- Be an important and participative actor in changing history.
- Continue supporting studies and scholarships for fishermen's children and SME projects.
- Investment in parks, green spaces and sports facilities, among others.





# A regenerative approach to the closure of coal-fired plants

In 2015, Enel Group launched a worldwide project that constitutes one of the first examples of a large-scale redevelopment plan for an entire industrial area to be carried out with a circular economy approach. This is an ambitious and unique program, specially designed to find innovative and sustainable uses that would allow the reuse of existing structures, including old thermal plants, infrastructures and connections, and that includes the participation of local stakeholders in decisions that aim to create value for these

communities, always considering sustainable economic growth and employment generation.

For the closure of plants, Enel Chile has defined a decalogue of good practices, which was developed in a participatory process through working groups involving different areas and formulated under the principles of just transition and site reconversion, seeking to add value for both the Company and its stakeholders.







#### **Ten Best Practices for Plant Closures**



## Safety

Ensure high-level safety standards at all stages, both for people and facilities.

#### Market context

Assess economic activities and business opportunities at the plant site to adjust the purpose to market needs.

# Value creation

Define business models that fit the market context (long-term) to create value for both the Company and the community.

# Permitting/legal

Define permitting and legal activities associated with the decommissioning process and new projects, making future uses viable.

Support suppliers in adapting to new services in other sectors.





# Decommissioning/

Correctly define the scope of decommissioning, phase-out, infrastructure to be maintained, possible interference with the projects to be carried out.



#### **Budget**

Define opportunities for asset reuse to minimize costs and risks associated with decommissioning and its provision.



#### Communication

Coordinate transparent communication across the different areas involved in the Repurposing processes.



# Global

Seek synergies with the Company's different areas and business lines, locally and globally, to pool experiences and best practices that can be replicated in the Repurposing of sites.



Circular economy Incorporate the Circular Economy area into the plant Closure and Repurposing stages to add value, maximize reuse and effectively manage the use of assets at the end of their useful life.

The process of re-qualifying a plant is carried out through a multidisciplinary work plan designed to empower people and the organization, with a vision of just transition that comprehends social and environmental aspects.

Some processes that have used these practices are summarized below:

#### **Central Tarapacá**

Enel achieved the first milestone in the requalification of power plants in Latin America. Particularly relevant in this context are land sale promises that allow and promote the joint development of new business opportunities, such as the sale of water and development of other renewable projects in the area, among others.

#### **Hybrid Projects**

Within the framework of the National Plan for Decarbonization of the Electricity Matrix, and Enel Chile's strategy to position itself as a leader in the energy transition, special priority is given to hybrid generation projects through the development of H2, batteries and photovoltaic panels, at plant sites that are in the process of closure.



# Renewable energy growth as an enabler of decarbonization

Advancing the decarbonization of the energy matrix has been possible thanks to accelerated investments aimed at increasing renewable capacity, with the incorporation of Enel Chile's wind, solar and geothermal plants.

In this way, the Company reaffirms its commitment to promoting a fair energy transition that goes hand in hand with a cleaner matrix, through a portfolio of new renewable projects that contribute to the country's economic growth. All this, in line with the Strategic Plan of Enel Chile and its subsidiaries, which seeks to add 2.4 GW of clean energy by 2024.

During 2021, we completed the construction of five plants and two Small Means of Distributed Generation (PMGD from

Enel Chile is the country's leading generator

7,973 MW of net installed capacity.
37.6% market share in energy sales (GWh) in the National Electric System (SEN).

its acronym in Spanish), totaling about 854 MW of new gross renewable capacity, with more construction underway.

Plants completed in 2021 and plants under construction or about to start construction contemplated in the 2022-2024 Strategic Plan:

Installed capacity			
Project	Technology	Net installed capacity [MW]	End of the construction process
Azabache	ξ <u>ζ</u>	61	2021
Campos del Sol		375	2021
Sol de Lila	i i	161	2021
Domeyko		204	2021
Finis Terrae Extensión	<b>É</b>	22	2021/2022
Small Means of Distributed Generation (PMGD) San Camilo		3	2021/2022
Small Means of Distributed Generation (PMGD) Dadinco	i i	3	2021
Cerro Pabellón III	ß	28.3	2021

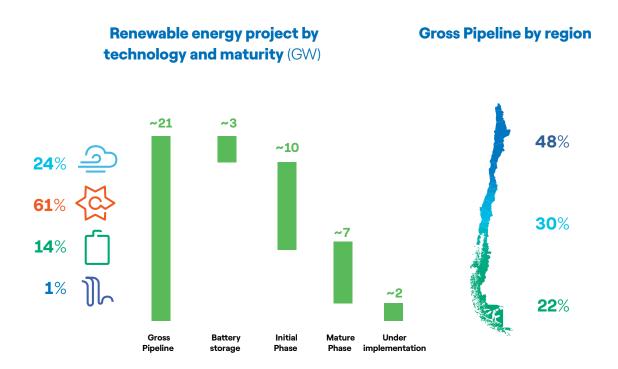




## Portfolio of projects that drive the energy transition

To guarantee the growth of installed renewable capacity in the country, it is essential to have a robust pipeline of projects that allows the execution and start-up of new generation assets within the deadlines of the national and corporate decarbonization strategy. This not only requires precise planning and management to develop projects with the highest standards of quality and socio-environmental sustainability, but also the availability of land to make them possible.

For this reason, Enel Chile, through Enel Green Power, was awarded more than 16,608 hectares in 18 lands tendered by the Ministry of National Assets in the regions of Tarapacá, Antofagasta and Atacama, for the development of new solar plants and storage systems, which will add more than 4.8 GW of clean energy to the National Electricity System.



#### Hybrid technologies to accelerate the energy transition

To increase flexibility and reduce generation variability, Enel Chile has combined different technologies and designs in its plants, so that existing spaces and infrastructure can be used efficiently, thus creating economies of scale.

This is the case of Campos del Sol II, an extension of Campos del Sol I, which takes advantage of the construction infrastructure to continue its development. Sierra Gorda Solar is part of the Sierra Gorda wind power project, which allows the generation profiles to be matched to deliver renewable energy 24/7. Finally, the Rihue and La Cabaña wind projects, which will be built in conjunction with industrial-scale batteries for energy storage (BESS), will provide a renewable generation profile in non-solar hours and will also provide complementary services to the National Electric System (SEN).





# Sustainable design and construction of renewable plants

To incorporate the best sustainability and circular energy practices, the Company applies the sustainable design and construction model that seeks to prevent possible impacts and detect opportunities for improvement.

This is reflected in an annually updated catalog of best practices that includes all the actions implemented by Enel Group projects around the world, as well as other relevant guidelines in the project areas. There are 70 initiatives being

applied, which affect different areas of impact: emissions and energy consumption, materials management, water, biodiversity, people and territory.

The implementation of this model translates into concrete actions to be applied in the design and construction of the project, as they pertain to the environment and the well-being of the people involved.

## **Operating sustainable plants**

This model incorporates sustainable practices in its operating processes. In 2021, the catalogs of initiatives for thermoelectric and renewable lines were merged, based on the ideas gathered from the Power G program. In this way, the catalog increased to a total of 143 initiatives applicable to the entire Global Power Generation fleet, which was updated and expanded for all generation technologies.

The initiatives seek to improve the efficiency and management of resources through, for example, the reuse of water from the facilities' air conditioning systems for uses unrelated to human consumption, or by encouraging the proper management of waste within the plants, which includes the addition of compost bins to give new life to organic waste. The Company also promotes single-use plastic-free plants, the purchase of solvent-free mechanical parts washers and the replacement of wood-burning stoves with electric equipment, among others. In addition, there are also practices aimed at incrementally incorporating robotization and artificial intelligence for plant maintenance.

The following are some noteworthy examples of these guidelines being put into practice:

• Use of agricultural livestock to maintain the land of the PMGDs (Small and Medium Distributed Generation Projects, by their acronym in Spanish): To reduce the negative effects of shadows on the solar plants caused by the growth of grass, we have reached agreements with the area's cattle ranchers to use livestock to control the grass. This also makes it possible to generate land use agreements and partnerships with the communities surrounding the parks.







• **3D printing to manufacture locally:** 3D printing was used to facilitate the procurement of parts or spare parts required for maintenance or prevention activities. In this

way, we managed to reduce material transportation, which meant a reduction in associated costs, while avoiding  ${\rm CO_2}$  emissions derived from transportation.

# State-of-the-art technology for energy transition

# First full-scale wave energy converter in Chile

In 2021, Enel Green Power installed the PB3 PowerBuoy, the first full-scale wave energy converter off the coast of Las Cruces, in the Valparaiso Region.

The marine energy generator, the first of its kind in Latin America and the fifth in the world, has an innovative system capable of converting wave energy, i.e., the energy generated by the force of the waves, into electrical energy. Likewise, through oceanographic sensors that monitor the marine environment, information is collected that will allow the company to study the behavior of the waves, optimize the

resource and lead the research of this type of renewable energy in the country and the world.

This innovative system is a first step towards the potential development and growth of marine energy in Chile and is part of an innovation project called Open Sea Lab, carried out by MERIC, which would be the first world class marine energy center in Latin America, co-founded by Enel Green Power Chile and Naval Energies, a European company specializing in marine energy technologies.





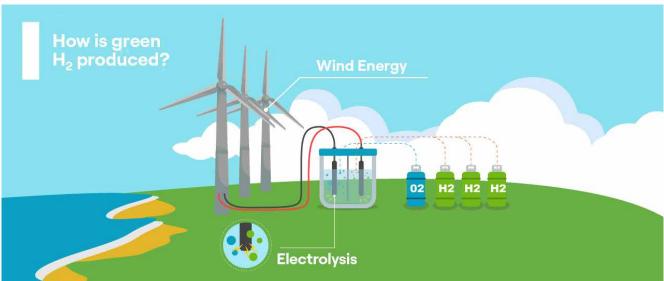
## First green hydrogen industrial pilot in Latin America

In 2021, together with its partners AME, ENAP, Siemens Energy and Porsche, construction began on the first industrial-scale pilot plant to produce green hydrogen in Chile, led by Highly Innovative Fuels. It is expected to start operating in the second half of 2022, making it the first plant of its kind in Chile and one of the largest in Latin America.

This first industrial-scale pilot project is powered by green energy generated by a 3.4 MW wind turbine and uses a 1.25 MW electrolyzer to produce water-based green hydrogen, which will be used as a raw material to produce fuels such as methanol and gasoline.

#### **Green Hydrogen Pilot Project**





## Faro del Sur Project

To achieve carbon neutrality and accelerate the implementation of initiatives that contribute to the country's energy transition, CORFO (the Chilean economic development agency) has made a first call to finance green hydrogen projects in Chile. Enel Green Power, through its Faro del Sur project, was awarded around US\$ 17 million, which is an important acknowledgment for a project that will produce 25,000 tons of green hydrogen per year through wind generation and the installation of electrolyzers with a capacity of 240 MW.

These types of incentives are a major step towards the development of a sustainable economy. They also demonstrate the Company's commitment to promoting innovative solutions that help position Chile as one of the main producers of green hydrogen in the world.

For further details, visit www.enel.cl







# The role of operating plants in the energy transition process

For the Company, it is not enough to increase renewable capacity and close coal-fired plants to advance in the decarbonization of the energy matrix. It is also necessary to manage our capacity to meet the demand for electricity, with the least environmental impact.

Although the growth of installed capacity at the national level has been considerable, close to 4 GW in the last year, there have also been significant delays in the entry of new renewable plants, added to a complex market and climate change scenario. The mega drought that the country is going through, the challenging scenario of logistic chains and the high prices of commodities, have highlighted the importance of achieving excellence in the management of Enel Chile, delivering efficiency, quality and trust.

The Company has focused on developing efficient water management by reviewing the programming criteria of the National Electric Coordinator, to achieve the best use of the resource and decreasing the water scacirty risk. In addition, it has established a smooth relationship with the communities and relevant authorities in the water basins that are associated with the operation of its plants. Within this framework, it is worthy to note the agreement reached with the Rapel Lake Development Corporation (Codepra) and with the Maule and Biobío Surveillance Boards, where criteria for use were established to increase the seasonal availability of the resource for irrigation, human use and/or tourism, as described below and in the Communities chapter.





On the other hand, the prolonged drought context has also had an impact on gas management, which has become a priority lately. The Company has had to play an active role in the relevant markets to guarantee supply for all its generation units, including its customers. Ensuring the sufficiency of this resource in the country by selling its surplus to other generators in the central zone has made it possible for customers to reduce the use of more polluting fuels.

# Operational efficiency in generation

To improve the operating efficiency of the Company's generation plants and turn them into smart plants, we seek to optimize and increase the flexibility of all operating units and processes, with the support of our digital transformation.

Part of the strategy in 2021 was to strengthen digital tools such as: use of technology to perform remote inspections, control platforms, predictive maintenance and operational updates, among others..





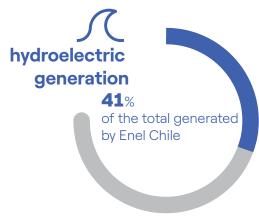
# **Operational efficiency for water management**

The reliability and availability of the generation plants are fundamental to maximize the use of the available resource, with a direct impact on the Company's economic margin. This is even more relevant if we consider the current scenario of water scarcity and the consequences and opportunities of climate change.

The Supervisory Boards of the main rivers where the Company's hydroelectric plants are located have enhanced the communications and coordinated work between the Company and those who need the natural resource for irrigation. Promoting and encouraging these opportunities is important in the context of drought, as it contributes to operate in a coordinated and efficient manner, generating added value to all stakeholders in the respective basins. This has facilitated the optimization of water resources.

The Supervisory Boards are entrusted with monitoring the correct use of water resources according to the water rights of their members. Some of the relevant agreements are as follows:

- Joint regulation of the Cachapoal River between Enel Generación Chile, which operates the Sauzal run-ofriver power plant, and the Supervisory Board of the first section of the river, in which the Chacayes, Coya and Pangal, belonging to Pacific Hydro Company, run-ofriver power plants operate: In 2021 an agreement was reached to jointly operate the hydraulic power plants of both companies while maintaining a constant delivery of flow to downstream irrigators.
- Water Use Flexibility Agreement between the Supervisory Board of the Maule River, Enel Generación Chile and Colbún: This agreement allows for flexibility in the use of the waters of the basin by the different users, with respect to the operative irrigation resolutions, adding value to all interested parties.
- Operational agreement for the management of generation water rights of the Ralco reservoir in favor of the Biobío River basin and its sanitation and irrigation sectors: Agreement of flexibility in the exercise of water rights by Enel on behalf of the irrigators, to ensure minimum volumes in the Ralco reservoir, which



contributing about 10% of the total generated at the national level

guarantees the successful completion of the irrigation season. This agreement was signed in September 2021 with the newly created Biobío River Supervisory Board and the company Colbún, formed by Enel, Colbún, Energía Llaima, several Biobío canal owners and ESSBIO.

The Hydraulic Optimization Special Projects team was formed in 2021 in a bid to adapt Enel Chile's water generation capacity to the scarcity situation that Chile has been experiencing for the last 10 years.

This team seeks to identify efficiency initiatives and select specific projects that are in line with the Company's strategy, subsequently carrying out evaluations in accordance with Enel Chile's procedures, which are aligned with the vision of multidisciplinary teams.

As of November 2021, seven projects have been preapproved and are in the investment authorization stage. This selected portfolio is equivalent to replacing approximately 300,000 tons of  $CO_2$  per year, which would otherwise be generated by thermal plants.

It should be noted that the Special Optimization Projects team develops Solar Hybridization projects, i.e., it intends to incorporate solar plants on available land in the hydro plant business in Chile, to add NCRE generation to supplement the deficit associated to the drought. As a result, more than 10 proposals of this type have been selected for evaluation.



#### **Operation automation**

With a view to optimizing the operation processes, significant improvements were made to areas such as control and automation, scheduled maintenance and information reliability. Some of the most relevant are:

- Automation algorithm for event recording: Seeks to automate the event logging of thermal generation units to improve the reliability of information and facilitate decision making. In 2021, it was implemented in 15 thermal generation units. In addition, the registration of gross and net production was automated for all 20 thermal generation units.
- Introduction of daily monitoring KPIs and real-time analytics systems through a Proportional Integral (PI) system that improves the efficiency of solar plants.

#### **Digital solutions and robotization**

As a result of the digital transformation driven by Enel Chile, in 2021, a set of initiatives were adopted to increase efficiency in the operation of the plants.

• RoBoost: Global program that seeks to integrate and distribute robotics in the operation and maintenance of plants, adding value and increasing operational safety and efficiency. The robots allow inspecting, supervising and monitoring Power Generation assets that are at height, in confined spaces or submerged. Enel Chile has more than 40 pilots, 27 drones, 14 Smart Glasses, 2 Remotely Operated Vehicles (ROV) and 1 bathymetric boat.

- On the other hand, the acquisition of new equipment for use in plants, training courses for pilots and the renewal of their flight licenses has continued. The Company developed the application of a ROMAP for processing images of drone flights, which allowed it to inspect Operation and Maintenance (O&M) plants to detect malfunctions and to establish action plans accordingly. Additionally, it limits dependence on contractors.
- Work Permit Improvements: In 2021, we worked on a project to digitalize the processes associated with these permits in SAP, complemented with a portal for the digital administration of the risk matrix. It was first implemented in the North Atacama business unit more than a year ago, and its use was a success. It should be noted that it is currently being implemented in the Centro Power Plant (Centro business unit), so that all thermoelectric technology will be working with this tool.
- Control Room: This is a centralized work unit in Santiago
  that optimizes plant operation management through
  remote control and plant supervision 24 hours a day.
  Remote operation allows functions such as start-up,
  shutdown and routine load adjustments, which improves
  internal logistics and increases personnel safety by
  reducing their time on site.

In 2021, the open-cycle thermal units were remotely controlled, following the incorporation of all hydro, wind and solar technology plants into the remote operation project.

All the plants in Santiago's hydraulic fleet have been adapted to remote control, restricting field operations only to emergency conditions, which is known as Renewable Room Control.





Below are some examples of platforms and systems created with the objective of facilitating the management and analysis of data for better management.

OMI Chanel	Nexus Project	Operational data on Ingen* platform
This platform was created with Agile technology to automatize report-creating for documents that were previously handdrafted. This has resulted in safe and up-to-date information for the entire area.	Allows to read meters and automatically transfer results to the National Electric Coordinator, avoiding the on-site operators, saving time and possible failure points in the process of establishing energy use by time.	This system extracts energy use information from meters on a timely basis and makes it available for automatic uploading to the InGEN platform, which allows for important time savings compared to data entering by hand.
Elevation and flow rate data	SIT document and request management	Big Data
This system allows for automatic elevation and flow rate data extraction from the National Water Management Office (DGA by its accronym in Spanish) to upload it to the Ingen platform.	Automatization of the internal document system associatd to disconnection and/or intervention requests, to offer quicker and more effective interactions and better maintenance coordinations with other power companies.	Implementation of a collection and data base system to have a thorough overview of the status of components of wind turbines, so as to better manage maintenance actions and extend their lifespan.
LTE 4G private network	Global real-time monitoring system	Management of Power BI contracts
Telephone signal coverage within the geothermal power plant, to maintain permanent communication with Company staff.	This system receives signals from the photovoltaic solar plants, and analyzes them in real time to look for possible energy losses. This allows for improved assetand resource management, increasing the lifespan of parts and components, increasing efficiency and generation continuity.	The implementation of Power BI reports resulted in a reduction of the manual processing of data related to contracts, delegated purchases, logistics, substation spare parts and vendor evaluation, among others. This resulted in an increased frequency of reports and improved graphic quality.

<sup>\*</sup> InGEN: Technological tool that allows for the integral management of the plant, including operation, maintenance, fuel use and process optimization, among others.



#### **Advances in maintenance**

To improve efficiency in the operation processes and achieve continuous operation in all operations in each of the plants, Enel Chile encourages the use of innovative tools and state-of-the-art technology in all maintenance activities throughout the country.

- Maintenance plans: In 2021, the systematization of maintenance plans was completed, which reduces internal processing times and provides greater added value, such as the tracking of services performed by contractors and their accounting, as well as the supplies and spare parts used for maintaining the turbines.
- e-Maintenance: Predictive maintenance system based on digital models that predict the behavior of operational variables. As of September 2021, each business unit is developing behavioral models with the help of specialists from the Global Hydraulics line.
- Inspection of blades and other elements at heights: Since 2020 the Company has implemented the use of drones for periodic inspection and monitoring of blades and other elements at heights that are part of the turbines, as well as for the inspection of overhead power lines. The use of this type of technology has meant a reduction in the use of resources such as manpower and work time, together with an increase in safety in these tasks.
- Simultaneous maintenance at Curillinque and Loma Alta plants: During 2021, a major rehabilitation of the turbines and mechanical elements associated with the Curillinque and Loma Alta hydroelectric plants was carried out. Both are run-of-river plants and are

- arranged in series, so simultaneous maintenance in 12 days allowed minimizing energy loss, especially in the drought scenario. To achieve simultaneous and timely maintenance, a 24-hour shift planning was required, with precise use of health and safety measures, and no accidents or contagions were recorded due to the Covid-19 scenario.
- Geothermal plant preheaters redesign: To maintain the thermal performance of the preheaters used in the geothermal plant, the heating stages were reduced from a "four-stage" to a "two-stage" design. This modification doubles the fluid flow section, thus reducing head losses, allowing a greater flow to the pumping equipment, which means greater heat exchange and electrical production.
- Up-tower repairs in wind turbines: To reduce the use of large cranes and heavy transport for the replacement of failed equipment, the Company is promoting in-situ repair of the turbine interior. This avoids bringing the equipment down, repairing it on the ground or in the shop, and bringing it back up. This aims to reduce downtime and generate greater efficiency in the use of wind resources. In 2021, 64.5% of repairs were carried out in this way.
- Aerial thermographic inspection of modules in solar plants: During 2021, inspection flights were conducted over one million seven hundred thousand solar modules in the Atacama Desert. Thanks to the developed systems of automatic hot spot detection analysis, each module with problems was identified one by one, to be removed and replaced by a new one, improving the efficiency of energy generation.

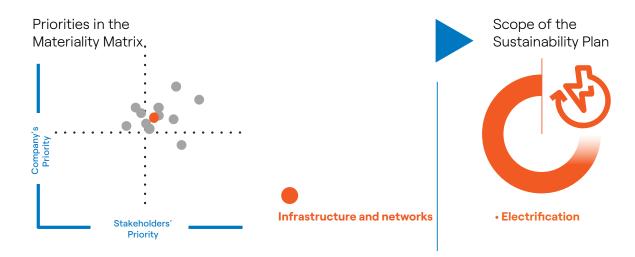






# Resilience and digitization of the network

103-1 | 103-2 | 103-3



# **Primary material issue: Infrastructure and network**

#### How is it managed?

Enel Chile seeks to have a technological and digital grid to transform it into an inclusive and participatory platform, taking advantage of new opportunities with innovative and circular business models, with services that create value for customers. To address these challenges, the Company has adopted the Grid Blue Sky concept for integrated grid management and Grid Futurability to build the grid of the future, to make better use of existing facilities.

Likewise, management aims to exceed compliance with regulatory standards, especially in relation to maintenance plans where drones and thermographic cameras are used to inspect the network. In addition, to make efficient use of resources, to monitor the performance of the network and analyze different events and failures, allowing improvements and solutions in a timely manner.

Therefore, the Company has invested in the digitalization and automation of network operation and maintenance, thereby increasing its resilience and flexibility.

#### **Material issues**

- Improvement and development of the network
- Operational management of the network.

#### Importance of good management

In a context of increased electrification, having a resilient and digitized distribution and transmission network that allows access to clean, safe and quality energy for all current and potential customers, becomes a driver of inclusion and an enabler of electrification for sustainable development.

A resilient network makes it possible to cope with adverse climatic effects, while reducing adaptation risks. Investments also modernize the infrastructure, reducing the risks of obsolescence, which can result in a network that is inadequate for the new market and customer needs resulting from the transition to Net Zero.

Ambitious investment plans enable Enel Chile to achieve good grid management using innovative digital tools that result in greater flexibility and an increased capacity of the grid to support the needs of customers and the electricity market.



# Sustainable Development Goal









# Principles of Human Rights Policy



# World Economic Forum Risks



# **Goals and challenges**

SDG	)	Activity/goal	Goal Plan 2021-2023	Results 2021	Goal Plan 2022- 2024
7	9	Total energy losses.	5.0%	5.2%	5.0%
7	9	Total SAIDI (minutes).	161	152	168
7	9	Telecontrol equipment installed in the entire network (units).	+2,700	+ 2,600	+ 2,700
7	13	Number of new rural connections1	-	617	717
7	13	Number of new suburban connections2	-	1,239	4,000
7	9 13 11	Number of sites that incorporate sustainable construction, throughout the period. <sup>3</sup>	7	10	17
7	9 13 11	Energy efficiency due to replacement of LED luminaires in substations (cumulative from 2019).	2,627	626	4,222
7	9 13 11	Number of substations with accumulated capacity increase in the period. <sup>4</sup>	17	7	24

- 1. Number of new rural connections: Corresponds to the number of extensions and/or solutions of the rural network for electrification in communities that are outside and far from the limits of the communes or cities.
- 2. Number of new suburban connections: Corresponds to the number of extensions and/or solutions of the suburban network for electrification in non-urbanized areas, close to or within the urban limits of the communes or cities. Generally, users in irregular conditions or in precarious housing solutions.
- 3. Sustainable construction sites: Corresponds to the implementation of at least 2 initiatives of sustainable construction sites, contained within the catalog.
- 4. Substations with increased capacity: Corresponds to the number of substations in which the capacity of the facility has increased.

## How the Principles of the Human Rights Policy apply

now the Principles of the Human Rights Policy apply		
Environment	Enel Chile adopts and complies with voluntary commitments, promoting ambitious environmental management practices to <u>adapt to the impacts of climate change</u> and the management of projects such as, for example, <u>meters</u> <u>with a circular economy approach</u> , to reduce the use of resources.	
Respect for the rights of communities	Enel Chile is committed to ensuring that its products and services are accessible to all and do not compromise, as far as possible, the safety and physical integrity of its customers. To this end, it carries out projects such as, for example, <a href="Smart meters">Smart meters</a> , which allows customers to modify their consumption habits and favors energy savings, and the <a href="Loss Plan">Loss Plan</a> , which prevents illegal connections that may compromise safety.	
Communications	Enel Chile requires that contracts and communications addressed to its customers are clear, simple, and do not omit any relevant element that may affect their decision. With this objective in mind, it has created and is performing projects such as <u>Distributed Generation</u> , which makes consumption and therefore communication transparent.	





# Resilience and digitization of the network

Our ESG performance

Providing a reliable and secure energy supply is intimately linked to a resilient and flexible transmission and distribution infrastructure that can meet a growing demand, linked to demographic growth and increased electrification.

The just energy transition to Net Zero requires a transformation in the use of energy, in which infrastructure is an enabler to deliver clean, safe and secure energy to customers with continuity of supply. This requires the incorporation of new technologies and the strengthening of processes through the digitalization of operations.

Enel Chile applies improvement plans on an ongoing basis in its areas of maintenance and modernization of the network. which have reduced the number and duration of service interruptions. It is now possible to monitor the infrastructure online, guaranteeing a quick and timely intervention in the event of failures. The remote systems allow for the operating centers to act to ensure the continuity of the electric service.

#### **Grid Blue Sky**

In this line, Enel Chile, as part of the Enel Group, has begun to implement the new operating model Grid Blue Sky, a digital platform to manage the grid with a focus on customer needs, that provides technological solutions to increase grid performance through real-time navigation and simulation. Enel Chile has digitized 2,450 km with this technology out of a total of 4,100 km of network.

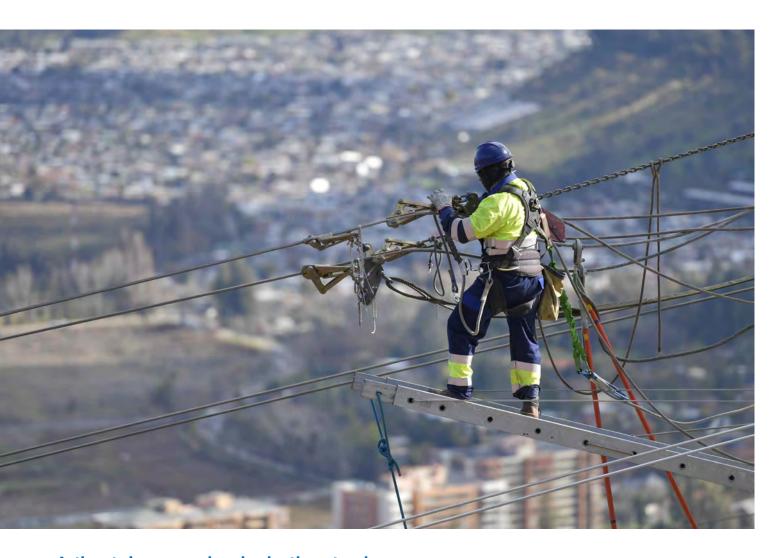
## **Grid Futurability in Chile**

Grid Futurability is a global project of the Enel Group that aims to transform the distribution and transmission grid into a smart grid, combining the use of traditional equipment with advanced digital solutions that allow for a more resilient, participatory and sustainable grid that promotes the wellbeing of all communities. This, through revolutionary technological innovation and systemic efficiency tools, in addition to data driven services. With this, the Company is committed to providing and ensuring a more electrified world with renewable energy, fulfilling its commitment to achieve an energy transition that favors decarbonization and electrification processes.

Innovation is a key factor, which is why the Enel Group has startups, suppliers and alliances developing the Grid Futurability through its international network of Innovation Hubs&Labs. In the case of Chile, this 2021, a series of workshops were held to analyze the current situation in the subjects addressed, where participants shared their views and identified future actions to create an action plan in the following areas: Resilience to climate change; Flexible services: Analysis of costs and benefits; Actions to boost regulatory and distribution system operators: New advanced services.







# Actions to improve and modernize the network



# Grid development and improvement

- Digitalization of electricity grid.
- Development of intelligent grids and telecontrol.
- Improvements in quality and continuity of supply.
- Expansion, modernization, and development of the electricity grid.
- Grid telecontrol and automatization.



# Grid operational management

- Operation and maintenance of electricity grid.
- Operational management of grids and associated energy losses.
- Digitalization of processes.
- Prevention and planification in the event of contingencies.
- Assurance of quality and continuity of supply.



# Adaptation in light of the impacts of climate change

- · Resilience of assets.
- Mitigation of impacts.
- Adaptation in light of new climate scenarios. .



# **Smart network**

As detailed, the incorporation of a smart grid means an evolved grid that manages electricity demand in a sustainable, reliable and economic way, based on an advanced infrastructure and adapted to facilitate the integration of all its components and actors. An important part of this is the application of new technologies and equipment, along with supply optimization, which are key to the energy transition and the advancement of electrification. For this reason, in 2021, 1,400 monitoring meters were installed, which allow the tracking of electrical variables, and detect overloads and voltage variations or load imbalances. With this type of measurement, the capacity to visualize electrical variables will increase, allowing preventive actions.

#### **Self-reading application**

The meter self-reading mobile application allows customers to read the meters in their community or neighborhood. This, through Optical Character Recognition (OCR) technology, which allows the application to identify the numerals of the meter reading device, providing the brand and model of the meter.

As of July 2021, the Company granted access to the application via private web, expanding its coverage. The readings entered through this channel are sent to the Misure e Lavori Enel System (SMILE) where they are validated, and singularities in the reading data can be detected, thus ensuring the correct billing of customers.

#### Remote control and process automation

The digitization of the grid is essential for real-time monitoring and an efficient response to contingencies and enables the promotion of responsible energy consumption in homes. In this line, during 2021 Enel Chile developed different projects, some of which the:

#### **WIN** project

In 2021, emphasis was placed on consolidating the system implemented in 2020, which integrates the operation, maintenance and construction processes of Enel Distribución Chile, allowing a coordinated response to possible failures, integrating solutions in real time between emergency attention, the on-site crew and

the client. Additionally, the ability to trace information supports the implementation of a preventive approach to the maintenance processes, to better identify the type of failure and focus the most efficient action and improving the availability of the equipment and components that have been exposed.

#### **Smart meterss**

In line with the digitalization of the network, the installation of smart meters makes it possible to execute remote operations, to the benefit of customers, the regulator and the Company. Among these features, remote and automated readings ensure the issuance of monthly bills to customers that reflect their actual consumption. Enel Distribución Chile also continues to improve its online applications, which allow customers to visualize their consumption by week, day and hour. With this data, customers can modify their consumption habits and promote energy savings.

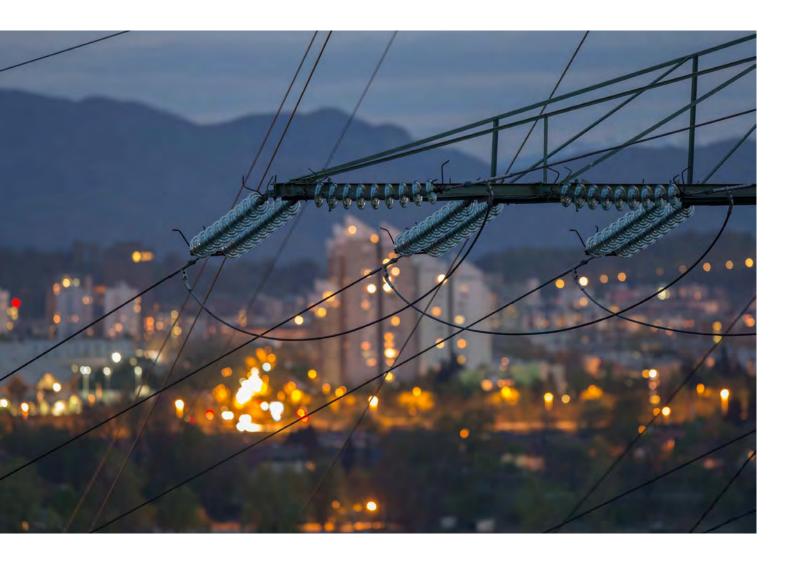
#### More than 348,230 smart meters installed

In addition, progress is constantly being made in the integration of online information provided by smart meters with the work and management of emergencies to speed up their resolution, via the supply status alerts generated by these devices. Therefore, the gradual addition of this equipment contributes to the reduction of the duration of interruptions, and thus improves service quality indicators.

During 2021, an improved version of the smart meter was developed, with new functionalities that provide security, confidence and system performance, which will be used for installations in the coming years. Also, in December 2021, the final milestone of the approval audit of the Enel smart metering system was completed, meeting all regulatory requirements on time. Regarding the communication of this technology to stakeholders, communities and customers, the Company is designing a deployment plan for future installations, which contemplates an adequate and timely communication and information campaign, including how to request it, its advantages and costs.









# Meters with a circular economy approach

The Company, in line with its circular economy strategy in all processes, is focused on reusing traditional meters and malfunctioning telemetering modems as redialers in some loss projects or, alternatively, to extend their useful life by updating the operating system (firmware).

At the same time, the use of technological developments that extend the useful life of Programmable Logic Controller type communication equipment, which currently have limitations in their operational continuity, is being promoted. In relation to the waste generated by the dismantling of analog meters and components associated with telemetering, the project continues to find new uses for these materials prior to their final disposal.

#### .

# Preventive improvements to the power network

Enel Distribución Chile and Enel Transmisión Chile have a Maintenance Program aimed at the efficient management of the infrastructure, with the objective of achieving a continuous distribution and transmission of electricity to customers, ensuring an efficient use of resources and increasing the useful life of assets.

This program involves Enel Distribución Chile's medium and low voltage networks, as well as Enel Transmisión Chile's substations and high voltage overhead lines. For its effective application, it is essential to maintain a close relationship with the municipalities, to address both the management of work permits and the identification of customers' needs, which can then be included in maintenance plans. Likewise, interacting with the Superintendency of Electricity and Fuel (SEC, by its acronym in Spanish) is essential to comply with the action plans issued by the regulator, making them compatible with internal processes.

As part of this program, in 2021, we continued with the ISO 55001:2014 Certification Process on Maintenance Asset Management, which ends in 2024, and with the network inspection plan using drones, a technology that in the future will allow us to generate proposals for preventive maintenance and automatic anomaly resolution.

Likewise, the implementation of SWIN began, a tool that will improve asset management and will replace the WIN system's network maintenance management, through access to a universal catalog of anomalies and their records for the entire Enel Group. In the future, it is expected that this tool will allow -with the use of artificial intelligence-to automatically generate proposals for preventive maintenance and anomaly resolution.

## **Voltage line types**

**High voltage (HV):** power lines that go from the generation plant to the substation.

Medium voltage (MV): networks that transports energy from the substation to public lighting poles.

Low voltage (LV): networks that distributes power from poles to customers.





# Medium and low voltage quality plan

To improve the quality of supply, Enel Chile is developing the Way to SAIDI project, which aims to optimize the standard of service that customers receive, and to enhance electricity infrastructure to improve SAIDI indicators. The project includes capacity increases in areas of high demand or consumption and/or replacement of the traditional network with protected aluminum in low voltage. In addition, automation is being promoted, incorporating 250 new pieces of equipment to the remote control of the medium voltage network, making the necessary adjustments to the network. This has allowed the Company to manage 2,634 telecontrol equipment from the Network Operation Center. In addition, in 2021, the following improvements were made:

- More than 60 km of new or reinforced medium and low voltage network.
- 2,000 changes of medium voltage spacers.
- 1,500 km of medium-voltage network inspected.
- 1,300 distribution boxes replaced.

- 300 quality improvement projects in low-voltage areas.
- 4,800 customer service connection changes.
- Inspections in different customer segments.
- · Standardization of medium- and low-voltage splices.
- 227 changes of Twalls connectors in the telecontrol equipment.
- 1,800 changes of poles.
- 2,910 km of tree intervention in areas that interfere with the grid.

In addition, projects were carried out with real estate or residential customers, which involved controlled interventions in the network and connections, to achieve optimal service. In 2021, the following commercial projects were carried out:

- 26,878 real estate connections built.
- 906 construction projects on the network.

# Electrical mains piping where it interacts with the gas network

The Superintendency of Electricity and Fuels (SEC by its acronym in Spanish), through its official notice No. 14228/2018, mandated Enel Distribución Chile and Metrogas S.A. to act in coordination to mitigate the risk of fire and explosion generated by the interaction of the electrical network with the gas network. As part of this responsibility, the Company committed to replace approximately 36 km of subway low voltage network

that is close to the gas network, for channeled alternatives installed in ducts of minimum stretches of 100 meters.

During 2021, the Company achieved the normalization of 11.2 km of subway network in the districts of Estación Central, Independencia, Recoleta and Santiago. This work will continue during 2022.

# Inspections of high and medium voltage power line areas

During 2021, aerial inspections of the high and medium voltage power lines continued using helicopters, as part of the program aimed at improving and digitalizing the information gathered during distribution network inspections. With the use of three high-resolution thermographic cameras and Laser Imaging Detection and Ranging (LIDAR), the number of kilometers of network inspected was extended, in addition to digitizing its status (high-resolution digital images and 3D records of the network) and operation, to facilitate the identification of critical points.

This system provides the following benefits:

- Network digitization
- Digitized backups of network status
- Reduced manpower intervention
- · Reduced risk of accidents
- Less tower climbing
- Detailed defect detection.
- Constant monitoring of the network status, identifying attention points and improving supply continuity.

Aerial inspections include the use of drones, which also speeds up the process. In only two months, the Company completed tasks that previously took three times as long and only included surveying a certain number of kilometers.



# Improvements in the process of new connections through Room Agile

This program is aimed at defining and implementing improvements to the connection process, to optimize the interaction with the client and its experience during this stage. Some of the aspects improved in 2021 include the quality of the projects in the Budgeting Graphic Assistant system (AGP by its acronym in Spanish), the information provided to the

client and the implementation of online follow-up capabilities.

These activities have allowed us to improve compliance rates within the deadlines defined in the technical standard for customer connection. During 2021, the yearly average achieved was:

	2020	2021
Feasibility	75.7%	98.1%
Execution	66.8%	95.3%

<sup>(\*)</sup> Feasibility (maximum term of 8 working days for response).

# Substation quality plan

In the power substations and to improve the quality of supply, the Company worked on replacing technologically obsolete equipment with more modern devices that allow monitoring, such as:

- Replacing old technology temperature monitors with digital monitors in high voltage transformers.
- Installation of gas and humidity sensors in high voltage transformers for line monitoring.
- Replacing high noise fans with low noise and high airflow, for improved cooling of high voltage transformers.

- Replacing luminaires (sodium, mercury) with LED technology devices in patios and substation enclosures.
- Thermographic inspections of all substation components.
- Installing a continuous monitoring system for partial discharges in the 110 kV Gas Insulated Substation (GIS) located at the Lord Cochrane Substation.
- Replacing the CO<sub>2</sub> fire extinguishing system for Novek<sup>5</sup> at the Lord Cochrane, Altamirano, Brasil and San Cristóbal substations.
- Periodic gas quality measurement of all GIS, with Enel personnel and equipment.

<sup>(\*)</sup> Execution (maximum terms of 10 working days for connections without works in the network, 20 working days for connections with works in the network and 90 working days for connections with works in the network and requiring third-party permits).

 $<sup>5. \ {\</sup>it Fire protection fluid developed as an alternative to other types of firefighting chemicals}.$ 







# Outstanding high-voltage power line projects

High voltage lines allow the transportation of electric energy from different points of the National Electric System to the consumption centers in each concession area.

Their importance lies in the possibility of supplying electricity consumption with energy from anywhere in the country, reducing costs for end-users and increasing the security level of the system.

# Relocating the Enea high-voltage line layout

This project required commissioning the work "Modification of the 110 kV Cerro Navia – Lo Aguirre Line, ENEA Sector", located in the district of Pudahuel. The route had to be modified over a section of approximately 1.4 km, which included the replacement of the existing structures for 11 new tubular poles for a 110 kV circuit. For its execution, the line was disconnected for 36 hours, maintaining the power supply with a generator set that serviced approximately 11,000 customers in Lo Aguirre, Lo Prado and Curacaví.

As part of the continuous improvement of maintenance processes, and the modernization of high voltage infrastructures, the Company undertook several works to optimize the communications systems and to install optical fiber cables to replace the guard cables of several lines that still maintained the galvanized steel cables they had since their installation. Some of them are:

- Installation of OPGW in the Cerro Navia-Renca Line: Replacement of the galvanized steel guard cable by an Optical Ground Wire (OPGW) fiber optical cable, between the Cerro Navia and Renca Substations. Between October and November 2021, circuit N°1 was disconnected, which allowed the removal and laying of the OPGW cable, between structures N°1 to N°21, in a permanent way.
- Installation of OPGW in the Ochagavía-Florida Line: An OPGW fiber optical cable was installed to replace the guard cables of several 110 kV lines of the Ochagavía-Florida route.



# **High voltage substation projects**

High-voltage substations make it possible to reduce high voltage levels, which are necessary for transporting energy over long distances. This makes it possible to supply users with safer voltage levels, avoiding the use of large infrastructures such as the towers which support high-voltage lines.

Only at lower voltage levels can the power grid be implemented in towns, streets and even residential or commercial buildings. Thus, the community benefits by receiving a safer, more reliable electricity supply at a lower cost of development, operation and maintenance.

## **New Lampa substation**

In January of 2021, the Company commissioned the Nueva Lampa 220 kV Switching Substation. This work allowed the sectioning required by the regulations of the 2 x 220 kV Polpaico- Cerro Navia line, generating two independent lines.

#### **Expansion of the Santa Rosa Sur substation**

It consisted of the installation of a 110/12kV and 50MVA transformer, which involved the expansion of the Santa Rosa Sur substation. This work also considered the modernization of the facilities, through a series of devices that will provide greater efficiency and safety to the infrastructure of that area.

# Expansion of the Macul and San José substation

The expansion of the Macul substation involved replacing the 110/12 kV, 20 MVA transformer with a new 110/12 kV, 50 MVA transformer. On the other hand, at the San José substation, the 22.4 x 50 MVA transformer was replaced by a 50 MVA, 110/12 kV power transformer.

# **Expansion of the Panamericana substation**

The "New Transformer at the Panamericana Substation" project considered the expansion of the substation through the installation of a new 50 MVA 110/12.5 kV transformer and its respective high and medium voltage yards.

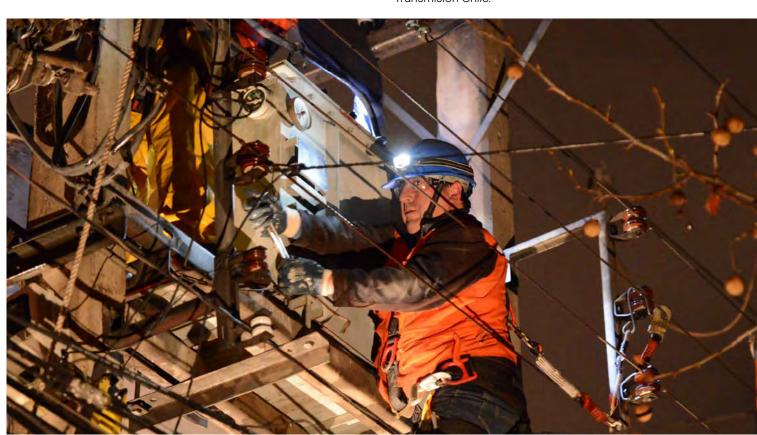
## **Expansion of the Altamirano substationo**

This work involved the installation of a new 110/12 kV transformer, 50 MVA in the 110 kV yard and a new 12 kV switchgear.

# Expansion of the La Dehesa substation: Commissioning

This project included the expansion of the 110 kV yard, and the installation of a new 110/12 kV 50 MVA transformer.

The high voltage projects, as well as the substations, are managed by the National Electricity Coordinator and developed by the National Energy Commission, while their operation and maintenance are carried out by Enel Transmisión Chile.







# Loss plan

Enel Distribución Chile prepared and developed its loss plan, a project that involves inspecting and normalizing connections, network changes in high loss areas and providing power to customers in informal settlements; managing to maintain its entirety, even in the context of the pandemic that continued in 2021.

Also, in view of the shortage of skilled labor in external companies that provide inspection services, a plan was designed that involved changes in contracts, planning and technical measures to ensure the renewal and protection of the distribution network. In 2021, together with Fundación Chile, the Company undertook a certification of competencies process for personnel of inspection service providers, with the objective of training contractors to improve the quality of service and the relationship with customers.

Over the same period, there was a significant increase in the number of families living in informal settlements, making the Settlement Management program even more relevant. In 2021, this program was addressed in a multifunctional, comprehensive and coordinated manner, with the aim of approaching the different municipalities and working on

this problem jointly. It also sought to establish and maintain a good relationship with the people who live in these communities, and to build technical measures that allow them not only to have a safe supply of electricity, but also to improve the quality of life of their families.

Approximately 1,900 fraudulent and dangerous connections were regularized, mitigating the exposure to electricity risk of the families in the settlements, as well as enhancing the quality of supply to customers and improving the management of energy losses. These measures also had a positive impact on the management of supply interruption claims in the areas near these settlements.

It should be noted that the Company engages in a permanent work of rapprochement with communities, neighborhood councils and other relevant actors (such as the TECHO foundation), allowing it not only to deliver electricity safely, but also to train people on issues related to energy efficiency, electrical risks and household economy factors, among others.

For more information, see the chapter on Communities .







# Safety under the high voltage network

Chile's Metropolitan Region faces an ever-growing housing demand; furthermore, it concentrates 39% of the deficit nationwide according to the 2017 Census, a figure that has increased in recent years. Added to this is the exponential increase of informal settlements or slums, with a 224% growth in the number of families living in these conditions between 2020 and 2021, according to the National Cadaster of Informal Settlements. It is possible to observe a trend towards irregular occupation of open spaces, which are sometimes related to the safety strips around high voltage lines, which undoubtedly puts not only the continuity of electricity supply of regulated customers at risk, but also the safety of those who attempt to live in these safety strips, also

connecting irregularly to the low voltage electricity supply. In these conditions, to prevent electrical third-party accidents deriving from the situations described above, the Company is constantly collecting and updating information with the purpose of analyzing possible solutions for families who live in informal dwellings, and are therefore at risk, be it because of the nature of their connection or the location of their housing The Company seeks to keep open lines of dialogue with the community, based on a willingness to understand the context in which irregular living conditions grow.

One of the actions that Enel Chile has undertaken in this context is setting up roundtables, whose main objective is



to reach a consensus on solutions for families. In addition, the Company provides constant information to the inhabitants of slums, guiding efforts to reduce the possibility of electrical risk and providing guidance towards efficient consumption

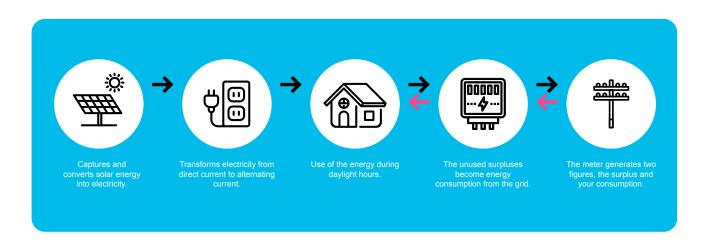
once the connection has been formalized. This strategy is an example of shared value creation, since it ensures security of supply for regulated customers, formalizes illegal connections and at the same time minimizes losses for the company.

# **Distributed generation**

Distributed Generation or *Netbilling* is a system that allows self-generation of energy based on Non-Conventional Renewable Energies (NCRE) and efficient cogeneration. Law 21,118 (a modification of Law 20,571) grants users the right to generate their own energy, self-consume it and inject their surplus back to the grid. The customer acts as a consumer and producer of energy at the same time, as

they sell their excess generation to the distribution network at a regulated price, by presenting the documentation that fits their connection contract model, whether they are residential or industrial customers.

For further information, please refer to the <u>Netbilling</u> <u>Residential Generation</u> section.



The evolution of distributed generation projects over the years is shown below:

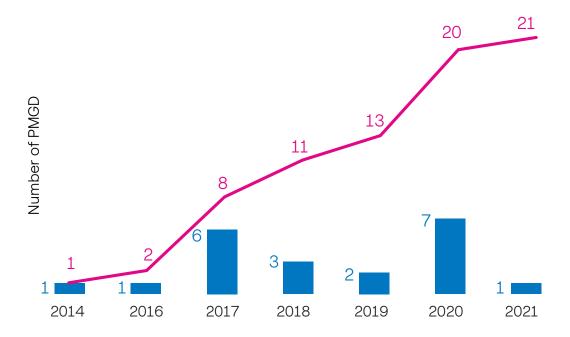


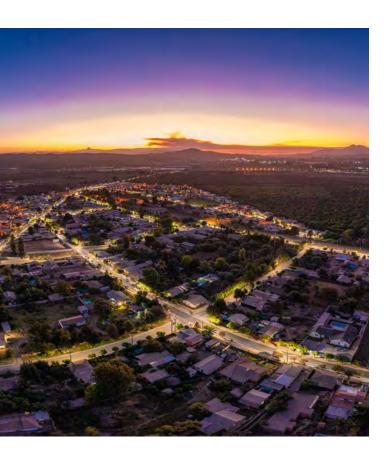




The annual evolution of Small-scale Distributed Generation (PMGD by its acronym in Spanish) managed by the *Network of Advanced Services* area was as follows:

# **Annual evolution of PMGD in operation**





# **Relevant Netbilling projects**

During 2021, Enel Distribución Chile was at the head of the program of the Ministry of Energy -implemented by the Sustainability Agency- which seeks to connect customers through the <u>Casa Solar project</u>. Its objective is to promote the use of renewable energies through the installation of photovoltaic panels connected to the electricity distribution network, under the on-grid modality and without batteries. This means that during the day the user consumes the energy generated by the photovoltaic panels and at night takes the electricity from the grid because the system does not store the energy produced.

To make this a reality, the program co-finances up to 50% of the installation of photovoltaic systems. It also contemplates the aggregate purchase of the systems, through mass purchases, which reduce the value of the inputs. This year, installations were programmed for more than 400 customers in the districts of La Florida, Maipú and Quilicura.

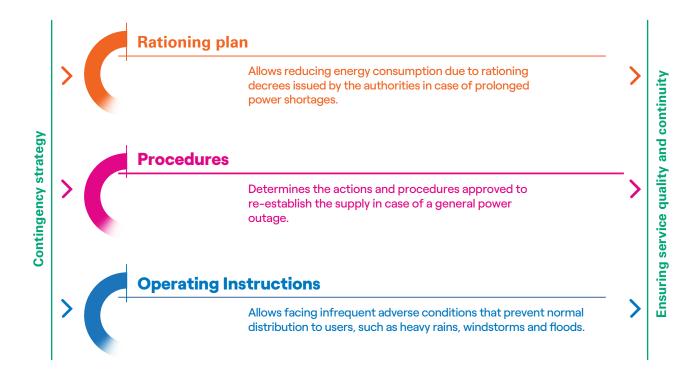


# **Contingency planning and prevention**

To address the health crisis, in addition to the usual quality, upkeeping and contingency plans, the Company adapted the maintenance plans for the networks that supply health centers, to reinforce preventive and predictive work, to avoid interruptions to the electricity supply.

# **Contingency plans**

The Company designed a strategy to deal with the contingency, contained in the Crisis and Incident Management Policy, to respond in a timely manner to the supply disruption, through three work plans:



Likewise, Enel Chile's Crisis and Incident Management Policy defines the procedures for handling events that put the electricity operation at risk, through a protocol that makes decision-making effective and timely.

On average, Enel Distribución Chile has 28 crews dedicated to the daily resolution of contingencies and, if emergency plans are activated, it is possible to at least double that number. In more severe cases, this figure can be multiplied by up to six to create a solid team of crews assigned exclusively to the restoration of electricity in the concession area. In 2021, there were more than 201 crews in operation for severe plans.

# Summer and winter plans

To face the impacts of climate change, Enel Chile has seasonal plans to manage the useful life of the infrastructure more adequately, reducing the risk of failures due to fires in the easement strips, or the fall of branches or trees that turn into foreign bodies in the network.

One of the central tasks in this area is the pruning, trimming and felling of trees, which contribute to the continuity and quality of electricity supply for customers. In 2021, more than 90 thousand trees were pruned, with the corresponding care of the plant environment.





# **Implementing new systems**

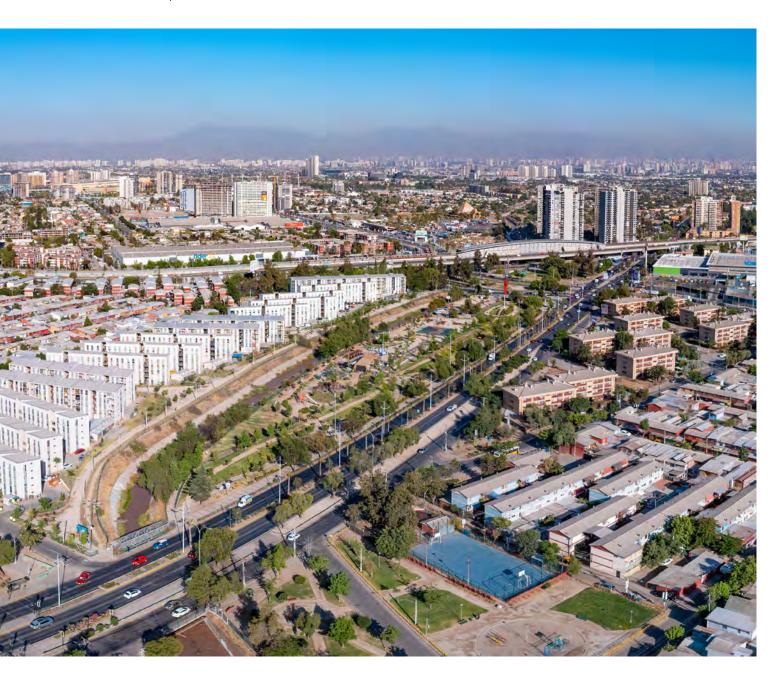
The Company has integrated platforms that directly contribute to the management of daily emergency operations, maintenance, commercial services and works. These systems allow for greater traceability in these processes. They are: Economic and Physical Integration System; Supply Change Management (SCM), to integrate certifications of activities and

materials; Forbeat, for traceability and connection of on-site works; Signaling and Interruption Management (GESI) for the online monitoring and attention of the emergency service; Maintenance of the Electrical Network (MARE), for planning and managing scheduled activities in the medium- and low-voltage networks.

# Measurement Plan of the Superintendency of Electricity and Fuels (SEC by its acronym in Spanish)

Each year, the Company conducts a measurement campaign for medium and low voltage points. This plan is approved and monitored by the SEC. During 2021, around 1,800 electrical measurements were performed.

The purpose of this campaign is to measure variables such as continuity of supply, voltage regulation and voltage unbalance, among others.



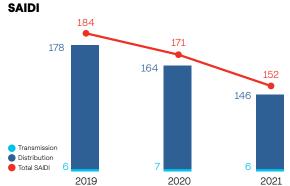


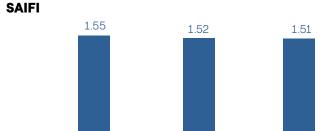
# Power supply quality and continuity results

#### EU28 | EU29

2021 was a very particular year from the climatic point of view. At the end of January, an unusual and very atypical rainfall was recorded in the middle of the summer, about 38 mm over just a couple of days, which is typical of a winter month and activated an emergency plan. On the other hand, and during the year, rainfall was scarce, about 35% less than that recorded during 2020. Despite all these changes, and

together with all maintenance measurements and new investments, we have managed to improve the quality of service for our customers. This is reflected in the evolution of the graphs of the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI), which are published below:





2020

2021

Note: The value recorded in 2021 was exceptionally low due to the drought in the Metropolitan Region. According to our studies, there is a correlation between millimeters of rainfall and SAIDI of 63%, so at the end of 2021 the impact on SAIDI was approximately -12 minutes. The 2022 target was set considering the correction in minutes to a normal climate scenario of rainfall and atmospheric events.

SAIFI's result includes Enel Distribución Chile and Enel Transmisión Chile.

2019









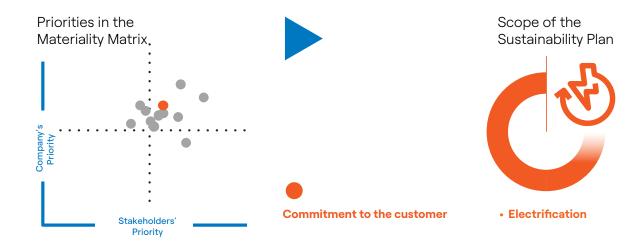






# Service and quality relationship with our customers

103-1 | 103-2 | 103-3



# **Primary material issue: Customer focus**

#### How is it managed?

Consumption is changing and people will have ever greater access to electrified energy consumption. • Ability to meet customer needs. The way in which energy is and will be consumed will also have an impact on the efficiency of the electric system, whose configuration will always be more integrated and associated to platforms. Customers will have an increasingly protagonist role in the electric system and will be decisive to achieve the energy transition and a Net Zero economy. Enel Chile's objective is to provide a quality service, anticipating the needs of its customers with an accessible and comprehensive offer. To this end, it is constantly improving service, processes and monitoring requirements channels, reducing response times, and investing in digitization and in a service culture.

#### **Material issues**

- · Quality in customer relations.

#### Importance of good management

Enel Chile is a company that bases its strategy on data, quality information and studies of global macro trends and regional scenarios. The multidimensional knowledge of customers, which includes social and economic aspects and, of course, their attitude towards energy consumption and their expectations regarding service, is central to deploy a comprehensive offer of solutions that meet their needs in the current and future energy scenarios.

Providing quality service and anticipating customer needs strengthens confidence in electricity service, thus managing the risk of a slowdown in the electrification of consumption and, consequently, in the energy transition.

Transparent and timely management of complaints and claims that focuses on client satisfaction, promoting access to clean and affordable energy without inequality, minimizing the risk of losing customers in a market that is rapidly moving towards people with increased purchase decisionmaking capabilities in the consumption and production of their energy, are all factors that act to increase social engagement with the company and the service.

For this reason, Enel Chile's Strategic Plan is focused on initiatives that address these risks, concentrating investment mainly in networks and infrastructure, as well as on satisfying customer needs and brand loyalty.



Sustainable Development Goal





## Principles of Human Rights Policy



#### World Economic Forum Risks



## **Goals and challenges**

ODS	Activity/goal	Goal Plan 2021-2023	2021 results	Goal Plan 2022-2024	
9 11	Residential customer satisfaction index.	73%	66%	74%	
9 11	Number of customers with Apps (in thousands).	664	541	760	
9 11	Number of customers with digital billing (in thousands).	675	449	795	

How the Principles of the Human Rights Policy apply				
Respect for diversity and non-discrimination	Enel Chile is committed to always responding to suggestions and complaints from customers and consumer associations, making use of <u>appropriate and timely communication systems considering the needs of all its customers</u> , paying special attention to people with disabilities. It developed and continues to apply a <u>Zero Claims Plan</u> and constantly monitors complaints or observations received through the <u>Management of requirements and complaints</u> .			
Respect for the rights of communities	Enel Chile is committed to ensuring that its products and services are designed to be accessible to all and to be uncompromising about the safety and physical integrity of its customers, to a reasonably foreseeable extent, always promoting a culture of			

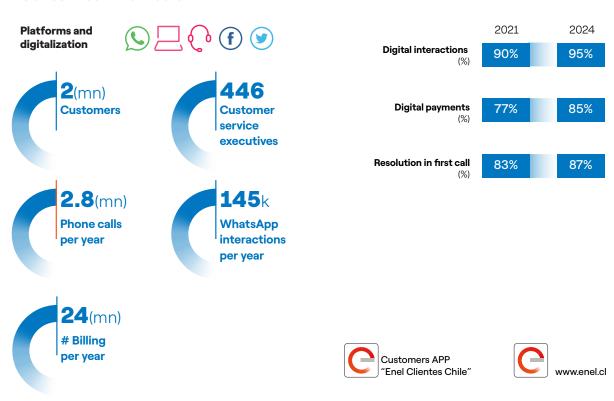




## Service and quality customer relations

The main objective of Enel Chile and its subsidiaries is to provide a sustainable, reliable, safe and continuous electricity service focused on the customer. This purpose implies building and maintaining a close relationship with customers, listening to their requirements and responding adequately to their expectations.

#### **Our service in numbers**



In 2021, 100% of the Company's remote channels remained available, such as the Interactive Voice Response (IVR) system, the call center and all customer services on the <a href="https://www.enel.cl">www.enel.cl</a> website, so that customers could carry out all required procedures without leaving their homes in the midst of the Covid-19 health crisis, and thus ensuring continuity of service with uninterrupted and high-availability remote lines.

The commercial offices operated under strict health and safety controls, observing the capacity limits established by the authorities and the Company's Covid protocol.

In terms of digital channels, the WhatsApp service, which was launched at the end of 2020, was consolidated over 2021, with more than 145,000 customers receiving automated 24x7 solutions and executives' attention.



## Fostering a culture of customer centrality

MA Service Culture Diagnosis answered by employees of all Enel Chile's business lines, set the bases to implement initiatives that promote a culture of customer centricity.

The diagnosis, developed in conjunction with the Center of Experiences and Services of the Adolfo Ibáñez University CES-UAI, aimed to determine the level to which employees agreed with the five aspects that make up the customercentric culture: excellence, participation, collaboration, focus

and empathy. These aspects are key to providing quality service and strengthening the relationship with customers.

At the same time, this diagnosis made it possible to measure job satisfaction within Company employees, with the result that 93% of employees say they are satisfied to work at Enel Chile and 90% say they want to remain in the Company, so there is the intention and commitment to address the challenges mentioned.

#### **Customer at the center**

**Dimensions evaluated** 

- Excellence
- Participation
- Collaboration
- Approach
- Empathy

Includes questions to determine job satisfaction and internal recommendation, through the Employee Net Promoter Score (e-NPS)

#### **Highlighted Results**

#### Survey development and results received

Survey with 605 employees participating, which corresponds to 27% of the total number of Enel Group employees.

#### Results analysis and report delivered by CES-UAI

Net agreement level regarding Service Culture 56% (% agree - % disagree). Represents a level of culture to be improved (50 - 60%).

The dimension with the highest level of agreement is "Excellence," with 68% net agreement, indicating that the workers receive a high level of demand in the work quality.

The dimension with the highest degree of agreement is "Excellence" with 68% of net agreement, indicating that workers that workers perceive a high degree of demand for quality of

The dimension with the lowest results is "Collaboration" with 34% net agreement, mainly affected by the low perception of coordination and coordination and cooperation between the different areas of Enel Chile, being the great challenge of the next culture plans. culture plans.





## Affordability of rates and payment flexibility

203-2

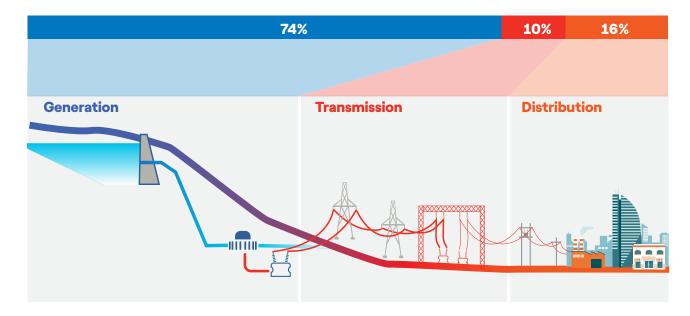
Electric power distribution companies operate under a concession regime and must provide service to all customers. The type of tariff applied depends on the connected power and may be a regulated tariff for those customers with a connected power of less than 5,000 kW, except for customers between 500 and 5,000 kW, who may opt for a free tariff and negotiate their supply with any supplier, having to pay a regulated toll for the use of the distribution network.

The electricity supply tariff for regulated customers is made up of three components:

 Generation component: corresponds to the cost of contracts with generating companies, the price of which is determined based on the bids made by the Authority. In an average bill of a residential customer of Enel Distribución Chile, it represents about 74% of the total without taxes.

- Transmission component: corresponds to the cost for the use of the electricity transmission system (transmission lines and substations). In an average bill of a residential customer of Enel Distribución Chile, it represents about 10% of the total without taxes.
- Distribution component: corresponds to the aggregate distribution value, which is determined every 4 years based on the operation of a model company, a study carried out by the National Energy Commission from which the Aggregate Distribution Value (VAD by its acronym in Spanish) is determined. In an average bill of a residential customer of Enel Distribución Chile, it represents about 16% of the total without taxes.

#### Estimated composition percentage of a residential customer's average bill without taxes.











Given the regulatory context, Enel Distribución Chile seeks to achieve efficiency levels that allow it to maintain the quality and security of supply within the framework of tariff recognition, which contributes to greater affordability for customers.

The Company interacts with regulators to achieve affordable tariffs not only from distribution, but also by accelerating the use of renewable technologies and different alternatives that provide continuity of supply more economically than fossil fuels, in addition to allowing progress to Net Zero. Additionally, the authority set the Stabilized Price to Regulated Customers, which has allowed, since the end

of 2019, to maintain tariffs without price increases, by advancing the benefits of the contracts that distribution companies tendered at lower generation prices.

For further information, consult the website of the <u>Library</u> of the <u>National Congress</u>.

Additionally, Enel Distribución Chile, in line with its internal policies and before the Basic Services Law came into force, carried out different actions aimed at offering its customers payment alternatives and facilities, preventing illegal connections that are detrimental to the quality and safety of the service and people.

## **Agreements for vulnerable clients**

203-2 | EU23

To support vulnerable customers affected by the sanitary crisis and to comply with the Basic Services Law (Law No. 21,249, Law No. 21,301 and Law No. 21,340), the Company enabled a web form in 2020, which allows registration and access to debt normalization facilities. This provided the

option of agreeing to a delayed payment date for the energy debt contracted between March 18, 2020, and December 31, 2021, without interest and in up to 48 installments.

It should be noted that, during this period, more than 44 thousand proration requests have been approved, for a debt to be agreed for Ch\$ 35,126 million.

## **Rights and Duties Workshop**

One of the purposes of Enel Chile is to maintain a close link and establish instances of dialogue with customers and consumers regarding the rights and duties they have as users of electrical services and products. Based on this, during 2021, several workshops were held to provide guidance to customers, providing informing about the General Law on Electric Services, as well as the Law on the Protection of Consumer Rights.

## **Electro-dependent customers**

Since 2017, Enel Chile offers priority attention for those customers who are electro-dependent, i.e., those who need to be connected to a medical device that requires constant electrical energy to operate. Enel Distribución Chile oversees the dispatch, installation, recharging and removal of home energy equipment, which, after the patient's registration, includes automatic recognition of their telephone numbers to refer them directly to a specialized executive for faster management of each case.

At the end of December 2021, the system registered a total of 2,151 electro-dependent customers, 65 permanently installed equipment pieces and 449 generating sets in operation, which include equipment with lithium batteries in departments where it is not possible to install traditional energy equipment.

# Transversal and effective communication

418-1 | EU24

During 2021, in view of the challenges arising from the pandemic context and the digitalization process initiated in 2020, the Company adapted its communication channels to remote work, ensuring fluidity and effectiveness in its relationship with customers, also with a view to improving the customer experience and the response to their needs.

Thanks to a coordinated effort within the organization, based on the promotion of digital channels, measures were successfully implemented to address the growing requirements of customers, among which, some of the most important are:



## **Advances in digitalization**

- Enel Clients App: This mobile application, introduced in 2020, allows access to services such as emergency reporting, bill payment, account details, branch information and registering meter readings, in addition to contacting the Company. During 2021, its design and interaction were improved to provide a better user experience (navigation adjustments, improvements in access validations, among others) and new functionalities were incorporated such as personalized notifications on electricity supply, electronic bill subscription, reporting risks or accidents and consulting the FAQ section.
- Enelbot, new web access channel: In 2020, Enelbot was enabled on the Company's website (<a href="www.enel.cl/es/ayuda">www.enel.cl/es/ayuda</a>) as an easy access contact channel for automated attention for balance inquiries, payments, emergency reports and entering meter readings, in addition to answering frequently asked questions from Enel Distribución Chile. During 2021, this channel accumulated more than 76 thousand attentions.
- Field work on social networks: To keep customers informed about outages or emergencies, the Company used social networks Facebook and Twitter, posting images of the place, a map of the sector and estimated time of normalization. This measure resulted in greater customer satisfaction, due to the transparency, instantaneity and accuracy of the information.
- Electronic billing campaigns: Through campaigns and contests in social networks, on the Company's web page and through mailing campaigns, customers were encouraged to subscribe to the electronic billing service. Thanks to this initiative, in 2021 there were around 72 thousand new subscribers, which represent around 4% of the client portfolio.
- Analytical collection models in pre-cut-off and preventive: Through e-mails, short message service (SMS), phone calls and letters, among others, users are informed about their standing debts, increasing the efficiency and the level of contacts of the collection campaigns in the pre-cut-off and preventive customer segments. The Company compiles the customer's payment behavior history and calculates relevant variables to finally implement the model through a system that generates a collection portfolio. This allowed

- maintaining the effectiveness of actions at around 14% in 2021, despite the impact of the health crisis, reaching debt recovery levels similar to those existing pre-pandemic. It is important to note that, according to the guidelines, client data is used only for business purposes. If the Company needs to use the data for other purposes, the client's consent will be requested beforehand.
- Prompt and effective commercial and technical assistance: To meet commercial and technical requirements, the Company has set up specific mechanisms through the most expeditious channels available, with less physical exposure in the context of the pandemic. At the end of 2020, the controlled pilot run of the WhatsApp channel began. During 2021, we worked on the consolidation of this channel, incorporating self-service functionalities such as a copy of the bill, historical summary of consumption and the attention of an executive, among others. All this has allowed more than 30 thousand monthly services, surpassing in its use digital channels already positioned such as Twitter and Facebook, confirming that this alternative is easy to access and use by customers







## Information dissemination campaigns

As part of Enel Chile's communication strategy to keep customers informed, communication channels were kept open and working smoothly. To this end, some of the active communication campaigns were:

WhatsApp channel positioning campaign	Goal: Position this service channel that provides emergency reporting services, balance inquiry and account payment, meter reading entry and bill copy, among others.  Information dissemination: Mailings, social media pieces and web site.
Profesor Salomón	Goal: Bringing people closer to issues related to electricity consumption, such as bill details, payment facilities and energy efficiency.  Information dissemination: Explanatory videos starring this well-known comedy character.
Bill payment campaign	Goal: Encourage bill payment and, at the same time, empathize with people who find it difficult to keep their bill up to date by presenting the various payment facilities available.  Information dissemination: Campaign Keeping your account up to date relieves you developed in June through the website, posts on social networks and Google ads, reaching 2.087 people, of which 1.426 clicked on the targeted words.
Information dissemination campaign about Law No. 21,301	Goal: Communicate the benefits of the Basic Services Law to customers with outstanding debt.  Information dissemination: Via e-mail, reaching almost 2 million users, of which around 400 thousand opened and read the content.

#### **Customer satisfaction**

At year-end 2021, customer satisfaction was recorded at 66%, exceeding 2020 results by 4 points and recovering the results that had been recorded in pre-pandemic years, but below the ambitious goal of 70%. The satisfaction survey was conducted with a statistically representative sample, the results of which have a confidence level of 99%.

	2021	2020	2019	2018
Customer satisfaction	66%	62%	67%	71%

These advances reflect the Customer Satisfaction Plan, which includes the Zero Claims Plan, which is discussed in the following section, and which allowed us to periodically monitor the main causes of customer problems to provide a timely response. For the year 2022, the Company plans to continue advancing in the deepening of these processes, as well as to foster a customer-centric culture throughout the organization.

In May 2021, the Company measured the Net Promoter Score (NPS) indicator to have additional tools to gauge the perception of customers. This tool allows us to measure customer satisfaction based on their level of recommendation, by calculating the difference between

promoting and detractor customers. This world-standard indicator measures the customer's perception of the company and their level of recommendation, making it possible to establish a common parameter in the Company, make comparisons and share best practices.

In this first measurement sent to all customers by registered e-mail, a result of -13.7 was obtained, showing that, although Enel Distribución Chile stands out among the Group's companies with the best results at Latin American level, there is a challenging road ahead to improve this result. The process has been systematized to develop weekly surveys, with the aim of aligning actions with the information received, in a quest for continuous improvement.



The main actions of the Customer Satisfaction Plan include:

## **Zero Claims plan**

The Zero Claims Plan was launched in January 2021, focusing on improving the customer service experience through the contact channels. At the end of December 2021, there were 295 complaints, 10% below the target. Some of its initiatives were:

- Establishing service protocols in channels and back office, such as reading, collection and cases with incorrectly issued orders, among others.
- Advancing immediate re-billing, increasing the number

- of times it can be done in a year and the amount, driving the number of services at the first contact.
- Reaching an agreement with the Superintendency of Electricity and Fuels, to provisionally bill services based on a billing notice without an actual reading.
- Advancing improvement projects, some of which are: adding self-reading options on the website and App, systemic improvements in the collection process to avoid improperly amortized payments, preventing system crashes, among others.

## Interactive voice response

The new Interactive Voice Response (IVR) system, based on natural language, aims to improve customer experience and the navigation times of each telephone contact. Both advances are mainly associated with replacing typing options for voice interaction.

In its first stage, the project involved the definition of a general design and the search for a suitable service provider, followed by training of the voice recognition engine, developing grammars and attention flows, and finally integrating the IVR with the company's Customer Relationship Management. A key functionality for IVR service capacity is the automatic recognition of the telephone number and authentication of the customer through their social security number, when not achieved in the first stage. This attains customer identification without having to re-enter data every time they call and allows for the system to learn and remember each client's supply number.

By the end of 2021, more than 1.2 million services had been provided and the results show 62% system resolution rate. In turn, more than 50% of customers said that the system provided an easy and pleasant experience.

## **Post-service surveys**

Enel Distribución Chile conducts surveys to determine the satisfaction of users at their points of contact with the Company, and to obtain direct post-service feedback on the experience they are receiving.

Regarding post-service surveys for this channel, in 2021 more than 270 thousand surveys were applied through an automated outbound call with natural language. This made it possible to evaluate both IVR and executive customer service (Twitter, Facebook and email). The results obtained have allowed the Company to measure customer service in terms of resolution, ease of use and overall experience.

By 2022, the Company plans to develop a comprehensive Voice of Customer program to summarize customer expectations, preferences and dislikes. As part of this initiative, new post-service surveys will be implemented, not only through the usual service channels, but also after certain key milestones that determine the quality of customers' experience with the Company, for example, in the processes of activating a new service, solving a power outage or after paying online, among others. The Company is also contemplating engaging in direct actions with customers who are not satisfied with the service.





## **Management of contact data**

In this area, the Company took a step forward in 2021 by incorporating the Opt-In check system in web service channels and forms, allowing it to store customers' consent to share their contact data with Enel Group companies.

On the other hand, a new process targeted final clients (people) through the real estate sector, by collecting their data when finalizing the purchase of an apartment.

In addition, we kept updating and capturing contact data through the usual channels, according to available service protocols, and performed periodic cleaning and consistency verification routines of the salesforce database.

It is important to note that customer data is used only for business purposes. If the Company requires other uses, the customer's consent will always be requested beforehand.

# Robotic Process Automation (RPA) and Artificial Intelligence for authority channel cases

The Company implemented a bot service, a program that performs repetitive tasks in a process, to handle cases referred by the authorities, specifically the Superintendency of Electricity and Fuel (SEC, by its acronym in Spanish) and the National Consumer Service (SERNAC, by its acronym in Spanish). The development of Robot Process Automation (RPA) and Artificial Intelligence allowed greater speed in managing and optimizing these processes.

During 2021, the second stage of the RPA initiative began, with a focus on managing instructive documents and updating customer data in the database management system for customer relations and customer satisfaction. This solution has significantly reduced the time between reception of documents and the actual update in the Customer Relationship Management (CRM) records, an outcome that is particularly valued during high-demand periods for cases emanating from the regulatory body.

## **Requirements and claims management**

Enel Distribución Chile has different channels for customers to communicate a complaint or request information and uses them to learn about the perceptions of its customers, understand the problems they report, and implement the corresponding corrective measures. To this purpose, the Company constantly monitors the complaints or observations received through these channels, which are accessible through e-mail, toll-free telephone number and the website, among others.

One of the main reasons for customer complaints is related to reading and billing issues, especially during the winter. It is worth considering that many of these turn out to be unfounded (i.e., the process operated normally). With respect to the requirements, they are usually requests for new connections and increased junction capacity, a process that is under constant review and continuous improvement.

## **SAP Billing implementation**

To respond in a timelier manner to customer information requests, and to ensure greater control in the billing and collection process, among other benefits, in 2021 the Company's billing system, Synergia, with nearly 20 years of service, was replaced by SAP-ISU, a world-class platform.

## **Enel X customer care**

Enel X Chile is aware of the relevance of customer satisfaction for the growth and adoption of electricity as a primary energy source, to advance towards the Net Zero goal. For this reason, it established "Customer as the Center of the Business Strategy" as one of the pillars of action. Along this line, the organizational structure of Enel X Chile has a customer care area (Customer Relationship), whose objective is to support customers in each stage of the process, understanding their needs and managing their requirements and/or problems, generating the necessary alerts to continuously improve the activities developed by the area.



## **Customer Experience Diploma**

Given the permanent challenge of generating a culture of customer service, the Company decided to develop, together with Universidad de Chile, a Customer Experience diploma course for participants from different areas. Efforts such as this allow us to achieve a company-wide vision focused on the customer, taking this factor into consideration for the design of processes, services and customer experience models in their various interactions throughout the Company's value chain.

This first version developed exclusively for Enel Chile was carried out during 2021 with the participation of 56 employees, who learned about negotiation, strategy and business models focused on the customer. Following this training opportunity, we are working with those who participated on different initiatives to further improve their customer service skillset.

## **Enel X Xcustomer system**

In 2021 the Company implemented its Xcustomer System, an official Enel X Chile platform that integrates different software to standardize processes in the area, deliver solutions and responses by combining customer data and profiles, improve followup on quality issues, simplify operations and improve response times.

## **Enel X Customer Experience Management Plan**

During 2021, Enel X Chile designed a Customer Experience Management Plan that allowed the Company to pinpoint areas for improvement and build action plans to improve customer experience. To this end, the Company executed a three-phase research project, whose stages are detailed below:

## **Customer Experience Management Plan**

#### Qualitative phase Quantitative phase Design phase

Via interviews to understand customers' experiences.

Via phone surveys to determine priority focal drafted to improve points needing attention

Action plans are customer experience in eachbusiness unit.

#### **Results**

Implementation of the NPS measurement system

**40-point NPS** 





## Promoting responsible and efficient energy use

One of Enel Chile's customer-related challenges, beyond supplying energy and access to customer service channels, is to promote awareness of energy care. To this end, during 2021, the Company has been working on the following projects:

## **Carbon footprint for free customers**

In a strategic alliance with ForThePlanet, Enel Generación Chile implemented in 2021 a tool to quantify and verify the carbon footprint and  ${\rm CO_2}$  emissions avoided by corrective actions taken by its customers, who through a web platform can monitor their greenhouse gas (GHG) emissions and keep

a record that allows them to meet their own sustainability goals. Through its platform, this service shows the results of each client's GHG emissions and reductions, and includes training on carbon footprint, recommendations and support for the duration of the contract.

## **Energy management platforms for free customers**

Together with Enel X Chile, Enel Generación Chile makes two web platforms available to its free or non-regulated customers, both of which allow them to manage the energy in their premises and monitor their energy behavior, to meet their energy efficiency goals and establish protocols or strategies to reduce consumption costs.

The experience increased the number of clients already using the platforms, which offer the following:

 Utility Bill Management (UBM): Focused on customers with multiple branches, this web platform is responsible for managing and administering utility bills of all branches in one single place and through a simple and friendly interface, to allow the customer to visualize, measure and audit costs of consumption, as reflected on invoices, as well as to define sustainability indicators, with the aim of raising their savings potential.

 Energy Management System (EM): Focused on large consumers, this platform is responsible for centralizing energy consumption data of all their facilities, allowing them to understand the performance of their energy consumption in a simple and intelligent way, to facilitate the definition of guidelines and management strategies to achieve a reduction in consumption and, consequently, be more efficient

## Customers that use the UBM platform













## **Customers that use the EM platform**



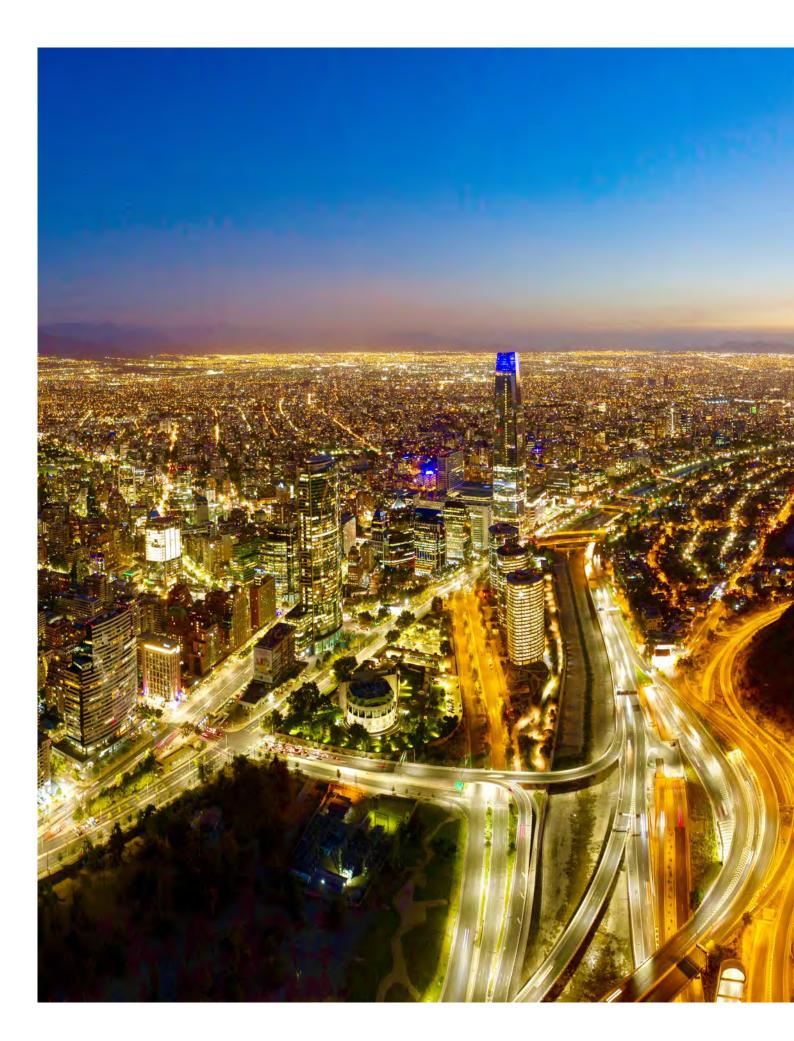
















## Products and services for electrification and digitization

103-1 | 103-2 | 103-3



## Primary material issue: Products and services for electrification and digitization

#### How is it managed?

Enel Chile, through its subsidiary Enel X, promotes new technologies and innovative, sustainable • New technologies and solutions for homes and technologically integrated solutions. These are aimed at electrifying energy consumption of homes, cities, industries and transportation, advancing on the path to Net Zero and smart and ever more sustainable cities.

To achieve this, Enel X has created an ecosystem of innovation and partnerships as a catalyst for new technologies focused on the circular economy.

#### **Material issues**

- and condominiums
- New technologies and solutions for cities
- New technologies and solutions for industries
- Electric mobility

#### Importance of good management

Enel X is changing paradigms in energy consumption, with solutions and services associated with electrification and digitalization, which enable cleaner and more efficient uses to move towards a carbon neutral economy and lifestyle.

With Enel X, Enel Chile consolidates an offer of services to better face the risks of energy transition, which are mainly associated to the market, either due to changes in its fundamentals or in the expectations or consumption behaviors of customers. Enel X offers innovative and competitive energy solutions through digital platforms and state-of-the-art technology that promote sustainable behavior and productive practices in the use of energy. Enel X products and services reduce the environmental impact and guarantee a high-quality experience which will be more independent of the risk variables related to fossil fuels



## Sustainable Development Goal











## Principles of **Human Rights Policy**



# World Economic Forum Risks

## **Goals and challenges**

SDG	Activity/goal	Goal plan 2021-2023	2021 results	Goal plan 2022-2024
9 11	Total electric charging points (thousands) <sup>1</sup>	6.1	1.2	4.9
9 11	Electric buses (thousands) <sup>2</sup>	1.2	1.5	2.6
9 11	Installed light points (thousands) <sup>3</sup>	442	335	425

- Includes public and private charging points. Cumulative figure
   Considers e-buses supplied, managed and served by Enel X. Cumulative figure
   Cumulative figure

Human Rights Policy Principles					
Environment	Enel Chile, through Enel X, promotes life in pollution-free environments, aiming at the decarbonization of cities, industries and homes through the electrification of energy consumption.				
Communications	Enel Chile maintains clear, transparent and simple communications with its customers, written in a language that is as close as possible to that normally used by the people to whom the message is addressed.				





#### What is Enel X?

Enel X is a subsidiary of Enel Chile that participates in the transition to Net Zero by offering integrated solutions aimed at the electrification of energy consumption at the domestic, urban and industrial levels, leveraging the circular economy and digitalization.

Enel X offers solutions anchored in digitalization, sustainability and innovation, which seek to encourage conscious and efficient consumption, through four lines of business for different segments: residential, companies and institutions.

To this end, the Company has defined a strategic plan based on four pillars:

- 1. Strengthen the relationship with customers: Understand their needs to improve their experience.
- **2. Growth:** Develop new business models with value propositions that guarantee sustainable growth.
- **3. Positioning:** Increase brand awareness by promoting attributes related to innovation, technology and sustainability.
- **4. Identity:** Develop a sense of belonging through the promotion of wellbeing, health and safety of all workers.







#### E-Home

Provides solutions to simplify and improve people's quality of life through a wide range of products and services. The goal is to promote the use of clean and efficient energy, reducing the carbon footprint of homes. In 2021, e-Home changed its e-commerce, incorporating a new global platform.



#### **E-Mobility**

With the aim of contributing to the electrification of both public and private transportation, this business line specializes in the installation of electric charging infrastructure and the technological development of electric mobility.

The aim is to combat the pollution that has until now been a characteristic of megacities and offer alternatives to provide better quality of life for its citizens and for future generations.



#### **E-Industries**

Based on strategic public-private alliances for the financing, development and execution of projects and solutions in different areas such as infrastructure, lighting, transportation, security and welfare, this line of business seeks to contribute to the sustainable urban development of cities and their inhabitants. The purpose is to become a leading player in the development of smart cities through innovative services that cover the entire urban ecosystem. Its portfolio includes efficient public lighting with remote management, which combines energy savings, performance and aesthetics. In addition, it provides new forms of autonomy and energy efficiency in buildings, advertising infrastructure lighting, and digital services such as public telemonitoring with video analytics and sensorization, providing municipalities with a single interface and simplifying the processes and management of services that operate in an interconnected way with each other.



#### E-City

The purpose of this business line is to be a strategic partner that contributes to the sustainable growth of its industrial and commercial customers. To this end, it offers innovation and technology solutions, generated through its extensive network of partners and suppliers. It caters to the B2B segment, with solutions for electrical infrastructure, energy efficiency and optimization of consumption in buildings and industrial facilities through demand management, ultra-efficient LED lighting, photovoltaic generation, solar parking lots, and heating and air conditioning systems. All these solutions intend to reduce primary energy consumption, to make operations more efficient and sustainable. Additionally, this division develops comprehensive projects, which include specialized consulting, implementation and monitoring of each service, all of which translate into a differentiating value for companies. Through its e-Industries

services, Enel X enables companies and industries that are responsible for climate change, to reduce their consumption and greenhouse gas emissions.







## e-Mobililty

#### **Key milestones**

- Integrating the circular economy: Requirement for contractors to replace single-use materials with reusable or compostable and environmentally friendly elements.
- **Digitalization:** Offering *wallbox* chargers in the Enel X online store, including their installation.
- New products and services: Launching the JuicePass app, which allows electric vehicles to be digitally recharged from the smartphone, by replacing the use of radio frequency cards, therefore decreasing associated waste.

## Initiatives and alliances to accelerate the transition

#### · ElectroRoute: Alliance with Uber

Through the signing of an agreement that seeks to accelerate the adoption of electromobility in Chile, Uber and Enel X are committed to developing initiatives that will allow important steps towards this goal.

This alliance –unprecedented in the industry– allows Enel X to install new charging points in strategic areas of the Metropolitan Region, through the implementation of three electro stations, which are added to the more than 1,200 electro stations contemplated in the Enel X Electro Route project, for which more than 300 have been installed between Arica and Punta Arenas.

Furthermore, during the first half of 2022 Enel X will make available up to 300 electric vehicles, which can be leased by Uber's driver-members. This initiative, which seeks to reach 3,000 cars made available by Enel X and its partner brands, will allow the inclusion of electric vehicles as a mobility option within the Uber platform, and will mean, over the coming years, doubling the number of these cars operating in Chile.

#### Eolian Áuriga-Enel X: Latin America's first four-passenger solar vehicle

After more than three years of development, the Eolian Áuriga-Enel X was presented, a project carried out jointly by the Universidad de Chile Faculty of Physical and Mathematical Sciences and Enel X, with the aim of promoting innovation and developing new technologies that contribute to the massification of electromobility throughout the country. This prototype can reach a speed of up to 90 km/h and has the capacity to travel 1000 kilometers on a full solar charge. It also has a range of up to 700 kilometers without solar charge.

The creation of the sixth version of the Eolian Áuriga Enel X solar car will bring us closer and closer to a vehicle that can be used in people's daily lives.

#### ElectroRoute: Alliance with Volvo

Enel X Chile invited Volvo to be part of Enel X ElectroRoute through co-investing in charging infrastructure, installing 100 double chargers in various regions of the country, which incorporate the JuiceBox technology and therefore allow for remote monitoring of the charge via the EV JuicePass App. In this way, the initiative seeks to increase the supply of low-investment charging points.

50 locations have been defined with 2 charging points each, under an alliance that has garnered great acceptance and achieved good progress.

#### · Tender for e-Buses

In October 2021, Enel X was awarded the public transport electrification project, which consists of 991 e-buses with three electro-terminals in the Metropolitan Region. This award reinforces Enel's leadership position in electric public mobility in Chile, with a market share of over 80% and 1,700 electric buses circulating on the streets of Santiago.

These units represent 29% of the system's current services and comprise a total of 153 services and more than 11 million monthly kilometers in more than 14 districts of the Metropolitan Region.





#### ElectroRoute Enel X: Charging points

Installation of more than 140 charging points, through agreements with major companies such as McDonalds, Sodimac, Autoplanet and Falabella, among others. Through these alliances, Enel X has been able to add more than 300 points nationwide, increasing the coverage of charging infrastructure for the country. During 2021, Enel X successfully initiated the payment process for this service, therefore strengthening the project. Enel X ElectroRoute seeks to incorporate 1,200 public and semi-public charging points nationwide, to make it possible to travel electrically throughout Chile.

Enel X achieved its goal of increasing public chargers from 160 to about 300 by the end of 2021.

#### Electro terminal for AngloAmerican

Enel X participated in the implementation of the necessary infrastructure for the promotion of electric bus transport for AngloAmerican Mining. The main objective of this project is to implement the first electro terminal for private transport buses that is in line with circular economy and incorporates the new business model Charging as a Service (CaaS), which changes from a single payment model for the entire infrastructure to periodic payments that are linked to energy consumption. This servitization model creates benefits for the customer, while Enel X Chile is responsible for the maintenance and operation of the infrastructure, taking care of its efficiency, durability and quality over time.

Supply of 17 buses for the transportation of mine personnel, saving approximately 880 tons of CO<sub>2</sub> equivalents.

#### • Electro terminals for public transportation

Collaboration with operators that have participated in the bidding process for the RED Metropolitan Public Transportation System (formerly Transantiago). Under the Charging as a Service model, Enel X provides a recharging service in at least three electro-terminals for the main international operator awarded (Transdev-Redbus).

By 2022, Enel X plans to have 21 electro-terminals operating and offering recharging services.

#### Chargers for Mercado Libre

During October and November 2021, Enel X carried out a project that seeks to supply 30 semi-fast chargers that will initially feed a fleet of 30 electric Mercado Libre vans. This company aims to electrify its entire delivery fleet, so this alliance confirms the confidence in the electromobility services offered by Enel X as a leader in the sector.

#### Electric trucks for mining

In alliance with Sociedad Química y Minera de Chile (SQM), Enel X brought the first 100% electric truck for largescale mining, under a leasing financing model and direct sale of the charger for the operation of the vehicle in the Antofagasta Region.

#### • Energy supply to Falabella

In 2021, Enel X secured an alliance with Falabella for 197 installations for a period of five years, where Enel X committed to installing two charging points in each of the brand's more than 260 commercial stores and corporate buildings.





## e-Home

#### **Key milestones**

- Integrating the circular economy: With the wood stove replacement project, more than 1,000 tons of scrap metal have been collected. In 2021, 2,987 heating stoves were removed, with a cumulative total of 11,419 since the project began in 2017. This reduced emissions to 37 thousand tons of CO<sub>2</sub> equivalent and 236 tons of PM 2.5.
- X-Customer Platform: X-Customer is an ecosystem of global platforms that simplifies and standardizes processes, in addition to tracking and streamlining customer experiences, both external and internal. The objective is to complement the systems in a single Customer Relationship Management (CRM) platform and achieve better sales and post-sales management.
- **New products and services:** In 2021, Enel X began selling medical assistance products (Asistencia Doctor 360) and funeral assistance products (Asistencia Funeraria 360), both directly to customers and through e-commerce, via AXA Assistance.
- **New financing:** Enel X reached a commercial agreement with Banco Santander, so that its customers can purchase Enel X Store eCommerce products in up to 24 interest-free installments through their sales channels.

#### Emission offset and heating stove replacement programs:

This Ministry of the Environment program allows companies to offset emissions from their operations. One of the ways to do so is through the Heater Replacement Program, which seeks to reduce household-related pollution.

Families that apply to the program can replace their woodburning stoves with air conditioning and photovoltaic panel kits, receiving a clean energy source of air conditioning at zero cost. In the case of photovoltaic systems, beneficiaries lower their energy consumption, simultaneously reducing the cost of electricity and using energy from a renewable source, therefore caring for the environment and improving their quality of life at the same time.

#### · Anglo American emissions offset Project

This project considers replacing 1,616 energy and air conditioning systems and installing 115 photovoltaic household panel kits in areas close to mining operations.

Some of the results achieved include **6,400 people with** access to air conditioning or a photovoltaic system and **145** tons of recycled scrap, which translates into an approximate annual reduction of 5,000 tons of CO<sub>2</sub> equivalent.

#### · Aggregates El Melón emissions offset program

Enel X committed to replacing 779 wood-burning stoves with energy and air conditioning systems for Aggregates El Melón. This program is divided into four annual deliveries, the first of which took place in 2021 with a total of 195 replacements.

As a result of this first phase, **585** people have improved the air quality in their homes thanks to the new air conditioning equipment. The implementation of this project is scheduled between October 2021 and March 2024, which means a total reduction of **2,531** tons of **CO**<sub>2</sub> equivalent and **70** tons of recycled scrap when the project is completed.



## e-City

## **Smart cities**

Enel X seeks to make cities inclusive, safe, resilient and sustainable, in line with Sustainable Development Goal 11.

Enel X maintains a focus on everything that encompasses the urban city ecosystem, aligning it with its vision of smart cities: smart street lighting, architectural lighting, electric public transport, public buildings, digital services and smart urban design. The Company has created business partnerships with public administrations, communities and all stakeholders to deliver cutting-edge solutions and create smart, efficient, welcoming and sustainable cities.



#### **Key milestones**

- Smart cities: Participation in seven webinars and seminars related to topics such as smart cities, 5G networks, sustainable cities, in addition to Expo Mercado Público and the Smart City Summit 2021 Congress, which positions Enel X as the main player in the development of smart cities in Chile.
- Fundación País Digital: Enel X became a member of this institution that promotes the development of a digital culture in Chile by articulating the construction of alliances and promoting public-private projects that that contribute to the debate around digital economy and the development of the country.
- Portfolio expansion: Through the development of new products, the e-City portfolio was expanded with the adoption of Smart City solutions, such as the City Analytics Platform, Video Analytics and the development of intelligent urban furniture such as security totems and intelligent bus stops.
- X-Customer Platform: Along with the implementation of the X-Customer platform, Enel X performed a Yourban pilot run, to enhance the digitalization of business operation for the benefit of customers and employees.
- Illuminating the city: Thanks to the latest public lighting maintenance tenders awarded, more than 350,000 luminaires are now managed by Enel X, 50% of which correspond to projects outside Santiago.

#### **Smart Lighting:**

#### Efficient public lighting

In 2021, more than 44 thousand luminaires managed by Enel X were added after the Company secured tenders in San Miguel, Temuco, Puente Alto, La Florida and Colina. As a result, Enel X went beyond the 340 thousand points managed until then and increased its contribution to efficient lighting and the ensuing safety and infrastructure benefits for the communities. Additionally, these processes translate into savings in public lighting for municipalities, thanks to the use of LED technology, which has a longer useful life and generates a reduction in CO<sub>2</sub> emissions.

#### Video surveillance for Calera de Tango

Enel X was awarded the implementation of 87 video surveillance cameras with license plate detection and facial recognition algorithms in the municipality of Calera de Tango. This project includes a control room with a large group of monitors in *video wall* format.

#### **Featured Electro corridor projects**

#### • Smart bus stops and electro corridor in Grecia Avenue

40 new smart bus stops in the municipalities of Ñuñoa and Peñalolén, seek to improve the experience at transport-related waiting points. The smart bus stop includes improving the existing infrastructure, with new or repaired architectural frames, glass, paint and USB doors.







#### Featured cross-sectional projects

#### First smart plaza in Latin America

In 2021, Enel X implemented the first smart square in Latin America, equipping the Eduardo Frei Montalva Park in the municipality of La Florida with the latest generation technology. This square now boasts a 5G network with a focus on community development and security, which has made a positive impact on residents. This project was done in cooperation with the Government, through its Secretary of Telecommunications; WOM, Universidad de Santiago and

## e-Industries

#### **Key milestones**

•Intercompany Agreement with Enel Generación: This agreement aims for both companies to become strategic partners and to incorporate Enel X solutions to the energy offer of this line of business, attract new customers and therefore increase the loyalty of the existing portfolio, as well as to address electrification within the commercial and industrial sectors.

the municipality of La Florida. Some of the technologies to be implemented are video analytics, citizen participation software, security totems, environmental sensors and electric vehicle chargers.

#### Fifth energy investment contest

In 2021, Enel X participated in this initiative of the Sustainability Agency, which promotes the implementation of projects that foster associativity and innovative business models to contribute to local energy development in Chile's municipalities. The Company implemented 18 projects in the areas of clean heating, energy efficiency, renewable energies and electromobility.

This project will allow an annual photovoltaic generation of 128 thousand kWh and savings of 178 thousand kWh of electrical energy per year, by replacing lighting fixtures, in addition to a thermal energy saving of 1.8 million kWh achieved by using a heat pump. Electromobility will generate energy savings of 27 thousand kWh. The total estimated net savings per year amount to Ch\$ 77 million if energy consumption remains similar to the baseline.

An annual reduction of 518 tons of  $CO_2$  equivalent is estimated.

• **Mining sector:** Enel X set out to establish strategic alliances with different companies for the development of electric infrastructure in mine expansion projects. In addition, projects and business models that focus on enhancing electromobility via the incorporation of electric bus fleets are being evaluated.

## **Solutions for companies**

Enel X's offer for companies and industries aims to incorporate this sector to the processes of electrification of energy consumption, to promote a decarbonized, electrified and digitalized economy.

- **Building:** Bringing hot water solutions to the multifamily building segment, with a financing model that also includes digital solutions for managing energy consumption. In addition, this business model seeks to facilitate electrification as part of the added value that Enel delivers to customers.
- New business models: By allowing the integration of Enel X products and services with the supply of energy to free customers.
- Data center hub: Created to address the need for power supply and quality infrastructure. To enter this important and growing market, different projects have been evaluated with a focus on electrical infrastructure and power supply. Participants include Edgeconnex, Ascenty, Microsoft and Google, among others.



#### **Featured projects**

#### Hacienda Chacabuco Photovoltaic System

A 2,400-hectare real estate project in which 108 kWp of photovoltaic power will be installed for self-consumption, thus improving the quality of electric service for the owners and residents of the condominium, while at the same time providing clean and cost-competitive energy.

The aim is to avoid 63 tons of CO, equivalent per year.

#### eBox

Enel X developed the *Solar eBox (Energy Box)* project, which builds on the notion of clean and portable energy and consists of a transportable modular photovoltaic solution to be implemented in one of Enel Green Power's plants under construction, to supply clean energy to its operations in hard-to-reach locations. The system designed by Enel X includes 18.2 kWp solar photovoltaic technology and lithium batteries with a storage capacity of 56.8 kWh.

#### Energy Infrastructure

Since 2021, more than 700 electricity infrastructure projects have been executed for free customers and companies,

some of them in the real estate sector, which is one of E-Industries' most important lines of business.

#### Data Centers

A project is currently being developed for the installation of an electrical connection with a new 23 KV feeder for the company Edgeconnex. On the other hand, similar works will be carried out for Ascenty, which are necessary to supply a new 23 KV feeder, including the installation and supply of a metering cell, civil works for underground MV starters, electrical works, network maneuvering and commissioning.

#### • Electric thermal power plants for domestic hot water (DHW)

In 2021, an alliance was created with Clínica Indisa to provide energy efficiency solutions through innovative and circular business models, developing a more efficient thermal power plant with a monitoring system for continuity of service, generating energy savings of 19% per year. Also, and with the aim of positioning itself in the Multifamily segment and the Real Estate segment with comprehensive energy efficiency solutions, the company developed the thermal power plant project and Energy as a Service model in the Mirasol III building located in Estación Central, which will save a total of 97 tons of CO<sub>2</sub> equivalent per year.







## **People**

103-1 | 103-2 | 103-3



## Primary material issue: People management, motivation and development

#### How is it managed?

Generating opportunities for employees is a constant in people management and is an essential part of the Company's value offer.

Enel Chile stimulates talent through internal promotion and the development of skills in different • Respect for employee rights. roles, encouraging horizontal leadership and generating business sustainability to achieve excellence.

To manage people's talent, it is essential to encourage their development and maintain their motivation, not only advancing promotions or role changes, but also fostering growth of individual capabilities. Activities such as training, mentoring, coaching, shadowing, diploma courses and other education opportunities, as well as projects that enhance each of the functions or roles, exposure to leadership teams, among others, are essential.

Identification with the Company's organizational culture is also encouraged, with a focus on openness, diversity and work-life balance. Thus, promoting a flexible, equitable, inclusive and diverse work environment, in which dialogue and respect prevail.

#### **Material issues**

- People development.
- Valuing employee diversity.
- Quality of life in the company.

#### Importance of good management

At Enel Chile, people are central to the sustainability of the business, so having motivated employees is a permanent challenge for the Company.

Enel Chile's management aims to enhance people's talent, recognizing that this is fundamental to achieving its objectives. When there is a committed and motivated work team, productivity levels improve and absenteeism and turnover decrease, generating a favorable internal and external employer brand, which benefits employee engagement.

Talent management allows people to develop their skills and abilities to their full potential, which promotes turnover within the company, ensures the right skills for the performance of a role, motivating employees to continue their career within the Company.



#### Sustainable Development Goal







## Principles of Human Rights Policy



#### World Economic Forum Risks

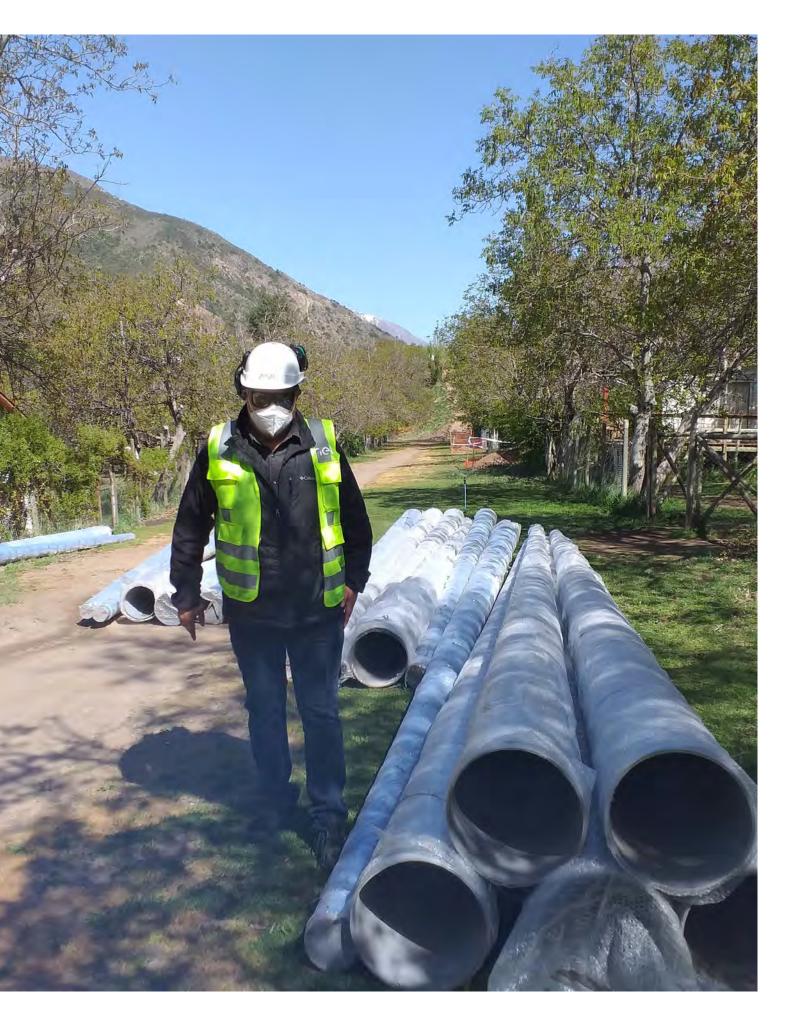


## Goals and challenges

SDG	A attribute of	<b>Goal Plan</b>	Results	Goal Plan 2022-2024	
300	Activity/goal	2021-2023	2021		
5	% of women shortlisted in external selection processes.	50%	54%	50%	
5	Increase percentage of female middle managers.	25%	21%	26%	
5	Increase percentage of female top managers.	14%	13.7%	14.5%	
5	Increase percentage of female middle managers and top managers woman.	25%	20%	24%	
5 8	Female students involved in STEM	965 (Goals 2021)	943	975	
8	Performance evaluation: % of employees evaluated out of the total number of eligible employees.	99%	99%	99%	
8	N° of annual activities to promote digital training.	-	One global and seven local initiatives	2	
8 10	Adopting a systemic approach to disability.	Adopt approach	Done	Adopt approach	

#### How the Principles of the Human Rights Policy apply

How the Principles of th	e Human Rights Policy apply
Rejection of forced or compulsory labor and child labor	Enel Chile rejects the use of any form of forced or compulsory labor, any form of slavery and human trafficking, adopting and promoting "gentle leadership" as part of its <u>people management strategy</u> .
Respect for diversity and non-discrimination	Enel Chile promotes the principles of diversity, inclusion and equal treatment and opportunities, and is committed to guaranteeing the right to working conditions that respect personal dignity. Along these same lines, it is concerned with creating a work environment where people are treated fairly and valued for their individuality, considering the value of diversity in people.
Freedom of association and collective bargaining	Enel Chile protects the right of the Company's employees to form or participate in organizations aimed at defending and promoting their interests and the rights of individuals and union relations.
Health, safety and welfare	Enel Chile is committed to developing and fostering a strong culture of health, safety and well-being, ensuring that workplaces are free of health and safety hazards, and promoting behaviors aimed at reconciling work and personal life.
	The remuneration of the people employed by Enel Chile is based on principles of fair reward and respect for <u>equal</u> <u>pay for men and women</u> .
Fair working conditions	
	Enel Chile believes in the importance of professional advice and training for the development of the people who work in the Company and provides a job training program.





## **People management strategy**

Enel Chile promotes a culture of diversity, inclusion and the value of people, recognizing them for their merits and enabling their growth and expression of talent.

To achieve this goal, the strategic management of people is based on four objectives:

Becoming **strategic partners** that challenge and support the business by providing innovative, effective and integrated solutions that drive the development of a **sustainable organization** and market referent. Strengthening leadership by providing tools and capabilities that promote trust and the search for purpose within each team, encouraging autonomy, empowerment and proactivity to further advance the potential and diversity of the teams that make up the Company.

Promoting **cultural change** in the organization and empowering people to advance **digitalization processes**, promote the use of platforms and manage databases, with the aim of **impacting the effectiveness of the organization** and the experience of workers.

Advancing **quality of life and well-being** of people through responsible care, generating a flexible, **trusting**, **close**, **challenging and motivating** work environment with a sense of pride and Enel identity.

## **2021 People management focuses**

These four key objectives are translated into initiatives, programs and processes that cross the entire value chain of people, providing the tools and solutions required by Enel Chile's employees.

During 2021, the people strategy was promoted through the following management focuses

	New ways of working and labor flexibility	In relation to the evolution in the ways of working, in 2021, the Company has continued various initiatives to support the transition to the new digital scenario, promote a work culture based on autonomy, delegation and trust, and better time management, supporting the well-being of people and their families. The new ways of working must make it possible to be more efficient and effective, as well as to achieve a balance between the personal and professional lives of employees.
ints	Leadership	Nurturing and supporting leaders is key to maintaining and promoting company culture and developing the organization's strategy.  In 2021, a new Leadership model emerged, which aims to develop leaders capable of mobilizing those who are part of the Company, which is increasingly liquid and diversified. The invitation is to promote a gentle leadership, a matrix of values that empowers the person, the team, motivations,
2021 focal poi	Talent management	Talent management, from attraction, incorporation, development, retention, training and exit, is key to ensuring the success of the organization. Talent in Enel Chile brings together all people and its focus is on the development of the potential of each person to achieve individual and team objectives.  Talent must also be diverse, with gender equity and the generation of actions to promote the attraction and development of women in the Company being key.
	Digital transformation	Digitalization, automation and digital mindset continue to be promoted in all processes and services.
	Gender equality	To make progress in this area, a gender agenda has been established that focuses on: adherence to international and national public commitments, gender parity in selection processes, strengthening women's leadership, promoting a culture of respect free of any type of workplace and sexual harassment, and promoting Enel Chile as a good place to work for women, which allows them to reconcile their personal and professional lives, especially with motherhood.





#### **Workforce**

102-8 | 405-1

Enel Chile's total workforce in 2021 totaled **2,215** workers, **0.18%** less than in 2020. The percentage of employees with permanent contracts is **99.41%**.

Workforce by category	Senior executives and other managers	Professionals and technicians	Contributors and others	Total 2021
Enel Chile	21	450	29	500
Enel X Chile	2	94	3	99
Enel Generación Chile	15	586	57	658
Enel Green Power	3	298	3	304
Enel Distribución Chile	12	525	19	556
Enel Transmisión Chile	1	96	1	98
Total	54	2,049	112	2,215

<sup>1.</sup> Enel Generación Chile includes Gas Atacama Argentina, Empresa Eléctrica Pehuenche, Enel Green Power Chile (Geotérmica del Norte and Almeyda Solar).

## New ways of working and labor flexibility

Enel Chile has continued to provide a comprehensive support plan to all its employees during the pandemic period, with a solid emphasis on promoting mental health and work-life balance. The Company endorsed initiatives to adapt to the hybrid work scenario, promoting a culture based on trust, autonomy and delegation, supporting the well-being of people and their families. New ways of working focus on efficiency and effectiveness, with the aim of balancing work and personal life.

## **Teleworking - Smart Working**

In the sanitary context of 2020, teleworking was activated and is still in force for most of the Company's employees, except for those who work in the operation, since these tasks require presential care to provide continuity of service and safe electrical systems.

In 2020 more than 70% of the Company's people were able to work remotely and 81% did so in 2021.

Company	2018	2019	2020	2021
Enel Chile (includes EGP y Enel X)	212	274	781	800
Enel Generación Chile (with subsidiaries)	80	112	412	451
Enel Distribución Chile (with subsidiaries)	68	95	663	447
Enel Transmisión Chile	NA	NA	NA	83
Total	360	481	1,868	1,781



<sup>2.</sup> Enel Distribución Chile includes Enel Colina.

#### Flexible hours

It has allowed employees subject to time control to start their workday between 7:45 a.m. and 9:00 a.m., and to end their workday early or late, within that same time lapse. In remote work conditions, emphasis has been placed on management by objectives, seeking to balance personal and work tasks.

#### Incentive for vacation use

Due to the uncertainty of 2021, Enel Chile encouraged its people to take breaks and take care of their wellbeing by favoring moments of disconnection, promoting a campaign for the use of vacations "Disconnect and renew your power", which grants an extra day to those who use their days off in specific periods of the year. Almost 8% of the vacation days used in 2021 are linked to this campaign.

#### **Main measures**

	Enel Chile	Enel Generación Chile	Enel Distribución Chile	Enel Transmisión Chile	Enel X Chile	Enel Green Power
Teleworking	YES	YES	YES	YES	YES	YES
Flexible hours	YES	YES	YES	YES	YES	YES
Smart working	YES	YES	YES	YES	YES	YES
Unpaid leave of absence	NO	NO	NO	NO	NO	NO
Incentive for vacation use	YES	YES	YES	YES	YES	YES

## Developing a new leadership style

To address its strategic challenges, in 2021 Enel Chile adopted "gentle leadership", an approach to leading that considers that the leader should be someone capable of motivating and mobilizing people in a flexible and diversified organization. A leader who listens, is concerned about people, their needs and aspirations, and who works towards objectives together with the teams, transmitting a sense of "why" and "how" their work is relevant.

This redesign of the relationship between leadership and collaboration empowers people to use their soft skills in combination with the necessary technical business skills, and it focuses on results, development and wellness. In this line, a "Cycle of talks for leaders" was implemented, addressing topics such as strategy, leadership, humanity as a strategy for change, awareness of oneself and others and inclusion, among others. A total of 29 talks were held with the participation of 250 leaders.

## People development and motivation

The integral development of people is one of the fundamental pillars of Enel Chile's management. For the Company, each person is unique and has an individual talent that must be stimulated.

Enel Chile supports this code in drivers such as the identification of talent and critical roles, leadership training and teamwork, and internal mobility and performance evaluation. As part of the people development actions, the following ongoing programs contribute to everyone's professional career:

#### **Growing with coaching**

This initiative began in May 2021 to disseminate the coaching culture and provide tools to facilitate the day-to-day work of employees. This was carried out through various talks during the year in which approximately 250 people participated.

#### **Coaching certification**

Five people began their coach certification process to join the group of three coaches currently collaborating in Enel Chile. This process is being carried out with ILC Academy, an institution accredited by the ICF (International Coach Federation) to train coaches...





#### **Job Shadowing for all**

Open program, which connects people to live a development experience, in which a host (with experience in a subject, role or trade) receives a guest, to live together the host's own activities. In the dynamics of observation, accompaniment and/or reflection, the transfer of knowledge, skills and experiences is generated.

Based on his or her preferences, the guest identifies the areas of activity that he or she is interested in developing and establishes contact with a potential host. This was developed in 2021 through the Digital Job Shadowing for All platform, which is a self-managed, voluntary and completely digital process.

#### **Mentoring**

Mentoring is a methodology that develops people's potential, encouraging the transfer of knowledge and learning through experience. The program is based on the interaction between the mentor and mentee, where the mentor generates a transfer of models and experiences, both positive and negative, so that the mentee can use them for the development of his own judgment, and to analyze and search for solutions to the challenges presented by the mentor.

The mentoring program is assigned by two means: The person is selected as a successor to some managerial position and is assigned the mentoring process, or is assigned by Total Rewarding, a program aimed at proactively developing and retaining people.

## **Succession plan**

The Succession Plan identifies the colleagues who will be proposed as successors in the Group's management positions, with the aim of having a group of referents among peers and to design development paths for them that will enhance their talents.

This Plan is a central, sensitive and strategic process with an impact on the Group's KPIs (Key Performance Indicators) and the identification and growth of future leaders, favoring generational change and gender diversity. It is annual and is carried out in 3 phases: Identification, Sharing with leaders and peers, Action Plan and Communication. Among the options contained in the Action Plan are Coaching, Mentoring and Job Shadowing, among others.

## Other noteworthy initiatives

#### **Total Rewarding**

Enel Chile implemented the Total Rewarding process in 2020, out of the concern for the development of each person and their unique talents. This process seeks to value the performance of employees through significant opportunities for professional and personal empowerment and rewards.

In 2021, this tool was deployed, and compensation, development, mobility and training initiatives were identified and implemented during the year and are currently part of the comprehensive offer provided to employees in a proactive retention process.

#### **Teambuilding**

Enel Chile continued its teambuilding programs, which were mostly carried out virtually, incorporating activities that enhance teamwork and cohesion among employees according to the different business needs.

#### **Performance evaluation**

404-3

For Enel Chile, the feedback instances that managers have with people are opportunities to generate greater closeness and transparency, align expectations and support the professional development of employees.

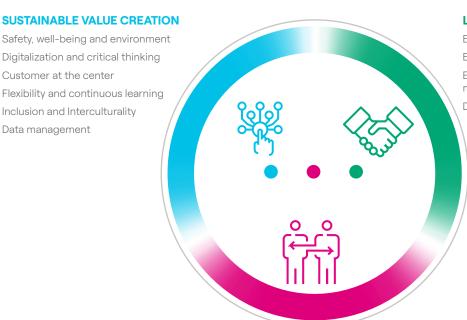
#### **New Open Feedback Evaluation**

New Open Feedback, a new performance evaluation model, was implemented in 2021, which involved 100% of the eligible people. It includes Open Feedback Evaluation, which encourages empowerment, people-centrality and a culture of continuous feedback among the entire work network.

This is a model of individual and collective growth based on 15 competencies and includes a year-long participatory evaluation process that calls for quarterly appointments to review interactions with the leader and learn about each person's strengths.

This assessment is informed by a broad and collaborative view of your network, unlike the previous model where there was only an assessment by the direct leader.





#### **LEADERSHIP**

Empowerment and Coaching Entrepreneurship

E-leadership and complexity management

Decision making

## INDIVIDUAL-GROUP-ORGANIZATION BOND

Emotional, social and organizational intelligence

Creation of meaning and Storytelling

New way of working in teams

Creativity - Disruptive innovation

Results oriented

To disseminate, educate and adopt this new model, ten explanatory talks were given to leaders, and three collective talks to all Enel Chile employees. There were also around 25 explanatory sessions for small groups of people and a strong across-the-board communication campaign.

This model begins official operation as of January 2022.

#### **Evaluation**

As in the previous year, the first half of 2021 was used to carry out the Evaluation process, in which each person is evaluated according to the four Open Power values of the Company (Trust, Proactivity, Responsibility and Innovation), based on his/her performance of the previous period (2020).

To this purpose, the leaders use a scale of 1 to 5 to identify the person's main strengths and areas for growth.

Through this process, 99% of the people -who met the eligibility<sup>6</sup> requirements- of Enel Chile and its subsidiaries were evaluated; 83% of collaborators confirmed that they had a feedback meeting, which surpassed by 58% the 2020 figure. At the same time, the Company recorded over 1,400 development plans.

In 2021, two workshops were implemented to prepare leaders for the Evaluation process: "Performance Management Workshop" and "Workshop on Feedback, Difficult Conversations and Development Plans", with more than 300 leaders in attendance.

<sup>6.</sup> Eligible persons: those who have a permanent contract and have been in place and active for at least 3 months during the year.





#### **Action plan**

Part of the 2020 Performance Evaluation process was to design an individual action plan to tackle training and development requirements, where each person agreed with his or her leader on learning activities, with initiatives focusing on work experience (70%), social learning (20%)

and training courses (10%). To this end, a catalog was made available with a wide range of courses available and examples of actions to be carried out. The above will be part of the results to be considered in a future Performance Evaluation.

#### 2021 Action Plan







## **Job training**

#### 404-1 | 404-2

Focuses

During this period, a total of **149,549** hours of training were delivered, equivalent to approximately 61 hours of training per capita. Seventy-one percent went to men and 29% to women. In 2021, Enel Chile carried out a series of 100% online training programs.

The training plan had two main focuses, applied in five pillars that are aligned with the Company's Strategic Plan:

Training plan aligned with Enel Chile's strategy, focused on achieving organizational objectives.

Develop an Open Power culture

Develop an Open Power culture

Sustainability, HSEQ and R&D Program organizational objectives.

Preparing ourselves for the future:

Reskilling

Digital transformation and agility

Customers and data at the center

## Main activities, Focus on Training plan aligned to strategy

#### **Developing an Open Power culture**

- Welcome to Enel: Support for new onboardees over their first year at Enel Chile, for him or her to get to know the Company and its culture.
- Trainers Academy: Works with internal trainers who are part of a community concerned with transforming individual knowledge into collective knowledge. In 2021 a pilot was conducted with 20 people, and in 2022 the project is expected to grow to more than 100 internal instructors and relators.

#### **Programs focused on sustainability**

 Health, Safety, Environment and Quality Training Program: The program impacts 90 employees and has 12 courses per year, equivalent to 2,364 hours of training per year.

# Preparing for the future: Reskilling and Upskilling

- Electricity Market Diploma: Program implemented together with Universidad de Chile. Already in its eleventh edition, it has benefited 32 employees.
- Diploma in New Energies and Smart Cities: Focuses on topics such as Smart cities, electromobility, renewable energies, energy efficiency in buildings and fundamentals of the circular economy. It is done in association with Universidad de Chile, and 29 collaborators participated in its first edition.
- Diploma in Operation and Maintenance of Photovoltaic Plants: In its fourth version, together with the Electrical Engineering Department of Universidad Técnica Federico Santa María, 20 collaborators participated.

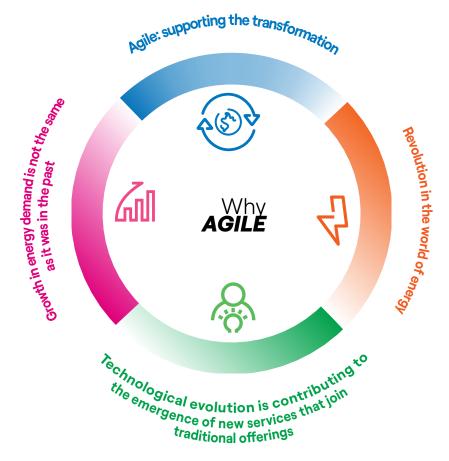




- Diploma in Fundamentals and Management of Renewable Plants: In its first edition, together with the Electrical Engineering Department of Universidad Técnica Federico Santa María, 23 collaborators participated.
- GX Factor Program: Training program consisting of on-site tutorials, internal courses and external courses.
   The program has 13 training modules and involves 49 employees from different thermal power plants.

#### **Digital Transformation and Agility Programs**

- Diploma in Digital Transformation: In its third edition together with Universidad de Chile, 28 employees participated.
- NERC CIP-SEN (North America Electric Reliability Corporation Critical Infrastructure Protection) Training Program: The National Electric Coordinator (CEN) defined a specific scope to address cybersecurity in electric utilities and mitigate potential risks to which they are exposed. NERC CIP was the standard defined by CEN, with a final version that companies in Chile involved with the program must abide by in 2022. Among the actions to be fulfilled is the implementation of a training plan that in Enel Chile began in November 2021, and which considers a total of six training courses (with continuity in 2022). The first one already implemented reached 66% of the Company.



**Agile Methodology:** Collaboration model based on flexibility and openness, which facilitates the adaptation of solutions, processes and systems to new requirements, helping to meet the challenges of managing people in times of change.



Over this period, several activities were carried out to disseminate the concept of an agile work environment in the different units of the Company.

- Agile Fullness Workshop: Its objective is to provide practical knowledge of the guiding principles, concepts and roles involved in Agility, to give participants a chance to apply them in their own work context and understand why agility is the answer to the VUCA world (volatility, uncertainty, complexity and ambiguity). In 2021, a workshop was held for 26 people.
- Agile Room: In this activity, teams analyze the life cycle of a problem, initiative or project. During the process, tools and methodologies are applied to each case, effectively and briefly coping with complex problems, strategic decisions

or the need to define new products or services. In 2021, eight Agile Rooms were held, with the participation of 103 people.

#### **Client and data centrality programs**

- Contract Managers Academy: This academy has 15 courses and 128 hours of training.
- **Diploma in Customer experience:** This course had two versions in 2021, with a total of 56 employees graduating.
- Quality of service and customer satisfaction program, 4A in fieldwork: 184 employees participated in this program.







## Main activities related to Focus on self-management of learning

Enel Chile recognizes that continuous learning or Lifelong learning is essential to keep people current and active at work, and places key importance on an attitude of constant learning, beyond formal education.

To this end, the Company has developed programs to create a learning environment that enables people to take charge of their own development and encourage participation:

- Scholarship Program for Workers (BET, for its acronym in Spanish): Financial contribution for training, regularization or improvement studies that contribute to a better performance in present and future roles. In 2021, 44 scholarships were awarded for masters, diplomas and university degrees, with 75% allocated to men and 25%, to women.
- Language for Development Program: In 2021, 8,148 hours of language training were delivered and 210 people were trained.
- Skills for the future: This program seeks to develop the 15 competencies that Enel has established as key, through a catalog of courses to acquire, improve or perfect skills that represent trends that are fundamental for the future of work. 50 training courses were delivered in virtual and online classroom mode, with 242 participants and 880 hours of training.
- LinkedIn Learning: More than 16,000 courses available in English and Spanish on the online platform, taught by experts worldwide. Through LinkedIn Learning, 807 courses and 1,999 hours of training have been delivered.

## **Investment in training**

Job category	Enel Chile (consolidated) in thousands of Ch\$
Administrative staff	42,000
Managers	237,000
Middle management	750,000
Professionals (analysts and specialists)	22,000
Technicians/operators	73,000
Total training cost	1,124,000
Training cost per employee	507

Note: (1) Average training cost per FTE (Full Time Employee).

Of the total number of trainings carried out in Enel Chile during 2021, 5% were for employees under 30 years of age, 80% for employees between 30 and 50 years of age, and 15% for employees over 50 years of age.



## **Recruitment and selection**

401-1

The recruitment and selection process has a strategy focused on three pillars:

1. Digitalization:	Data-driven process planning, monitoring metrics that measure impact and drive improvements.
2. People:	Personalized approach, which generates a favorable experience throughout the recruitment and selection process based on different evaluation methodologies.
3. Diverse Talent:	Commitment to a diverse and inclusive environment ensuring a process free of bias, with a gender focus that contributes to the sustainability strategy through selection processes with parity in the representation of men and women (complying with a 50% representation of women on short lists for 2021 and 2022).

In parallel and ensuring the transparency and traceability of each of the selection processes, in 2021 the operating procedure was updated to comply with ISO 37001 and ISO 9001 standards, aiming to establish a culture of integrity, transparency and compliance

Z021Total new onboards215

## **Internal mobility**

Internal mobility allows employees to reach new positions and undertake new challenges within the organization, and Enel Chile considers it an important aspect of internal management. In 2021, 101 processes were solved internally (Direct Selection: 64 and Internal Competition: 37), which represent 33% of company-wide vacancies.

#### Distribution by line of business

	Direct Selection	Internal Competition
Enel Chile (includes Staff, EGP with subsidiaries and Enel X)	40	21
Enel Generación Chile (with subsidiaries)	3	4
Enel Distribución Chile (with subsidiaries)	20	12
Enel Transmisión Chile	1	0
Total	64	37

Of the total number of internal processes awarded, there were 14 changes of perimeters or transfers from one line of business to another (4% correspond to women). Considering the 101 processes closed internally, 25% correspond to women and 32% to people below 35 years of age. Finally, there were 57 promotions, of which almost 18% corresponded to women.





# Reinsertion of coal-fired plant employees into the labor market

For Enel Chile, the decarbonization process is a determining factor in the energy transition and it is approached from a holistic point of view, with the integration of workers, contractors, suppliers and communities in the transition process, alongside the technology shift.

For this just transition process, people management developed a plan to relocate people from coal-fired plants to other areas of the company. Executed over the last three years, these steps have allowed for 31 employees out of a total of 50 from Central Tarapacá to be internally repositioned, and 17 people out of a total of 28 from Central Bocamina. The closing process of these plants is scheduled for 2022, when Bocamina II will cease its operations.

Over 2021 we maintained open communications with unions and workers to generate job opportunities for employees of the latter plant, which will be presented during 2022. For this date, the Company committed to providing internal relocation offers for 100% of the total number of Enel Chile's employees.

## **Work Environment and Engagement Surveys**

In 2020, Enel Chile developed the Work Climate and Engagement Survey (Open Listening), to take a closer look at the most critical aspects generated by the pandemic context. This instrument gathers the opinion of all employees, exploring their emotions, demands and needs, and it has resulted in specific action plans to collectively create the future we will all work in.

We inquired about the organizational culture of the Company, the technology available and leadership's ability to inspire the work culture, with a view to exploring and collecting the needs that have been generated regarding the future of teleworking. This exercise provided a space for open discussion on the integration between work and personal life.

65% of workers participated. Some focal results:

- · 93,3% feel engaged and satisfied at work.
- In terms of wellbeing, 80,3% keeps a good life-work balance.
- 90.2% have leaders who have facilitated autonomy in the new work context.

 82% of employees believe they have the digital tools to work and collaborate with others.

Although Enel Chile has applied its Work Climate and Engagement Survey (Open Listening) every two years, the context of the health emergency and the Company's adaptation needs have prompted a recurring process of consultation with its employees. Thus, in 2021, the Company launched a new measurement called Wellness Survey, which refers to eight pillars of the new global Wellness Model:

- 1. Work-life balance.
- 2. A sense of connection and belonging to the community.
- 3. Mental well-being, for example, feeling good about oneself.
- 4. Intellectual well-being. For example, having the aspiration to learn and grow.
- 5. Inspiration to take care of your physical well-being.
- 6. Ethical well-being, as expressed in a coherence between one's own values and those of the organization.
- 7. Economic well-being, having trust in the workplace and the value of one's own work.
- 8. Sense of security.



## Value of people diversity

405-1

#### **Respect for diversity and inclusion**

Enel Chile considers diversity and inclusion essential for the management of people. Through its <u>Human Rights Policy</u>, the adoption of the seven Women's Empowerment Principles (WEP) and the <u>Diversity and Inclusion Policy</u>, it remains committed to these values. Some of the focal points are the integrations of diversity in terms of gender, integrating the LGBTIQ+ community, people with disabilities, interculturality and age diversity.

In this line, the Company rejects all forms of arbitrary discrimination, committing itself to ensure and promote diversity, inclusion and equal opportunities, making the best efforts to promote and maintain a climate of respect for the dignity, honor and identity of each person.

Regarding initiatives that promote diversity, the Company participated in the following:

- Diagnosis of the Intervention of Unconscious Biases in Electric Sector Companies.
- · First Job's Best Companies for Young Professionals.
- · First Job's Best Companies for Interns.
- Ernst & Young's Outstanding Company in Diversity, Equity and Inclusion 2021.

Our ESG performance

- Merco Corporate Business Reputation Monitor
- Measurement of Corporate Labor Inclusion (MILE, by its acronym in Spanish), by the Inclusive Companies Network (ReIN, by its acronym in Spanish).
- · Pride Connection's Internal X-Ray.
- · Intercultural Business Seal, from the Intercultural Business Network.







## Inclusion of people with disabilities

#### The Valuable 500

It is a global initiative involving 500 private companies committing to promote and leverage the business, social and economic value of people with disabilities on a worldwide scale.

Enel Chile joined The Valuable 500 by identifying the gaps that prevent the inclusion of people with disabilities in

the Company, through an experimental journey through various processes, determining the physical, technological and cultural barriers that must be eliminated to guarantee inclusive and non-discriminatory job opportunities for everyone in the Company.

Based on this work, Enel Chile has a diversity and inclusion action plan, where the following lines of action have been proposed:

Executive-manager commitment:	Infrastructure	Risk Prevention involving PWD (People with Disabilities):	Inclusive employer branding:
Disability Plan, to build an "Inclusion	adapt facilities to ensure universal accessibility and	Develop and extend an Inclusive Protocol. This initiative includes a specific emergency protocol for each type of disability, and to incorporate them into emergency procedures.	online and offline, and incorporating all necessary accessibility tools to the

## **People with disabilities**

405-1

Company	2018	2019	2020	2021
Enel Chile (includes Staff area, EGP with subsidiaries and Enel X)	1	4	5	3
Enel Generación Chile (with subsidiaries)	3	5	5	6
Enel Distribución Chile (with subsidiaries)	4	6	7	4
Enel Transmisión Chile	-	_	-	1
Total	8	15	17	14

<sup>\*</sup> Before 2021, Enel Transmisión Chile belonged to Enel Distribución Chile.

## Relevant alliances or participations

Since 2018, Enel Chile has been part of Sofofa's Inclusive Companies Network (ReIN, by its acronym in Spanish), a group of companies whose common goal is to promote job inclusion for people with disabilities.

Furthermore, during 2021, the Company worked with the Avanza Inclusion Foundation by conducting training workshops on disability. In this way, the foundation provided support in the recruitment of people with disabilities, a work that was developed in conjunction with the Randstad organization.

In addition, the following communication actions were implemented:

- Conference on Debunking myths and prejudices about disability.
- Capsule on How to identify types of disabilities and use of inclusive language.
- Capsule on the Labor Inclusion Law (21.015), and the benefits of the Disability Credential
- · Capsule on Inclusive treatment.

## **Generational diversity**

For Enel Chile, diversity and inclusion also relates to the importance of the contribution of different generations, with young talent and experience both enriching the organization. Therefore, the Company carries out initiatives that reinforce integration without age and gender discrimination in all areas. Among these initiatives are the meeting for young professionals "My Enel Experience" and a related study to recognize the Best Companies for Young Professionals.

In Enel Chile, the different business lines receive interns, this includes operation plants throughout the country. We strive to maintain equality both among candidates as well as intakes in each internship. Between 2020 and 2021 and despite the pandemic, 178 interns joined Enel Chile, who were selected through the implementation of an evaluation model called Recruiting Day, which seeks to select young people who identify with the values and culture of the Group.



## **Cultural diversity**

Enel Chile and its subsidiaries promote diversity and inclusion as tools to incorporate different cultures, since the Group believes that diverse origins, educations and cultural backgrounds contribute to create a rich and varied perspective.

Within this framework, the Company is developing a mentoring program for expatriate employees that seeks to contribute to the cultural inclusion of people from other countries who come to work at Enel Chile and its subsidiaries.

Additionally, we strive to promote integration activities such as greetings on various national days that represent the many countries of origin of our employees; other important dates that are commemorated are the International Zero Discrimination Day, the International Day for the Elimination of Ethnic Discrimination and the International Day of Indigenous Peoples, among others.

#### **Gender diversity**

Enel Chile has defined gender equality as one of the main focuses of its people management practices, developing policies and initiatives to promote it.

Considering all the Company's employees, including its subsidiaries, **23.9%** are women. At the end of 2021, **19.8%** of managerial positions were held by women, who accounted for **20.8%** of junior management positions, **13.7%** of top management positions and **13%** of revenue–generating managers.

People by gender	2021	2020	2019
Feminine	24%	23%	23%
Masculine	76%	77%	77%
Total	2,215	2,219	2,133

## **Women's Empowerment**

The Company explicitly maintains its commitment in this area by adhering to the Women's Empowerment Principles (WEP) promoted by the United Nations Global Compact and UN Women.

The Company also adheres to the public-private Energy + Women Plan, which seeks to promote and increase female participation in the electricity sector. Within this framework, Enel Chile is committed to achieving the following objectives:

- Strengthen women's leadership at Enel Chile.
- Promote their empowerment, based on their professional development in the Company.
- Make visible, supporting the concept of an inclusive employer brand that promotes gender equality.

Each objective is developed through initiatives designed in three areas of action. In 2021, the following were promoted

- Cultural outreach: "New Masculinities" conference, to reflect on cultural changes in the understanding of gender roles in society.
- Training: Women's Leadership Program, with the participation of 12 Company leaders, to enhance, develop

and showcase the leadership skills, organizational and networking competencies of women, in addition to supporting them in developing their careers in competitive spaces.

 Development: First Mentoring Program in collaboration between the People and Organization Management of Enel Chile and Woman Innovation Lab (WIL), Academia Inpact and HCN World (specialists in human development), to enhance leadership and innovation in 22 female employees.

It should be noted that Enel Chile was part of the first study on Unconscious Biases in the labor trajectory of women in the electricity sector, an initiative promoted by the Ministry of Energy and the Energy + Women Program.

Additionally, the Company supports Parental Coresponsibility, which encourages equal and permanent participation of both parents in the upbringing and education of their children. The Parental Program benefits fathers and mothers accompanying their children's development cycle through nutritional counseling, school benefits and gradual return after parental leave, among others.





## **Gender equity**

Enel Chile guarantees gender equity, creating specific programs aimed at improving the experience of parenthood, promoting collaborative programs that encourage the participation of women in STEM (Science, Technology, Engineering and Mathematics) careers, and a healthy work – life balance.

In terms of gender equality, the Company has a specific action plan aimed at increasing the representation of women at all levels of the organization.

In 2021, **18%** of the total number of women working at Enel Chile will be in STEM positions, i.e., those related to technical business lines.

## Equal by 30 global campaign

With the aim of enabling greater gender diversity in the clean energy sector, which translates into a public commitment made by different public-private organizations worldwide to work for wage equality, empower women's leadership and offer equal opportunities for women by 2030. Enel Group adheres to this commitment, as a reflection of its strategic focus on diversity and inclusion in each of its subsidiaries.

This 2021, Enel Chile participated in "Ingeniosas: Science and Technology for All", an initiative that seeks to bring and motivate Chilean girls between 12 and 16 to pursue STEM careers through inspirational talks, science, and programming and robotics workshops, among others. As part of the talks, Enel Chile employees Astrid Vorphal (Enel Generación Chile) and María Fernanda Martínez (Enel Distribución Chile) talked about their professional experience in the Company, to inspire girls and young women to enter the world of energy. In addition, two days were held at the Las Nieves and Josefina Gana technical schools, located in Puente Alto, where electronics workshops were given by Enel volunteers.

#### LGBTIQ+ Initiatives<sup>7</sup>

In terms of sexual diversity, in 2021 Enel Chile became part of Red Pride Connection, which seeks to advance the inclusion of people from the LGBTIQ+ community in the workplace. The creation of "Proudly, a team", a community where everyone who works at Enel Chile can share experiences around the issue of sexual diversity, allowed us to give visibility to the reality of the LGBTIQ+ community, generating initiatives that accelerate cultural change.

Communications-wise, Enel Chile commemorates and communicates LGBTIQ+ Pride Day, Bisexual Visibility Day, International Day against Homophobia, Transphobia and Biphobia, among others.

<sup>7.</sup> The acronym LGBTIQ+ comprises the initials of the words Lesbian, Gay, Transgender, Transexual, Transvestite, Intersexual and Queer. The + sign at the end usually represents other collective identities that are not currently represented in the acronym.



#### Work-life balance

401-2

The Company has a wide range of benefits to support quality of life and work-life balance for its employees, including the following:

- Complementary health insurance that includes coverage for outpatient and inpatient medical benefits, among others, and considers catastrophic coverage for highcost medical expenses.
- Collective health insurance plan that allows the Company to directly pay subsidies for work incapacity on the date of payment of remunerations and to a medical current account.
- · Supplementary allowance for work incapacity.
- Specially equipped lactation centers to promote breastfeeding.
- · Financial support for childcare.

The Company also offers the following additional benefits and initiatives:

- Activities to promote physical health and wellness: an
  extensive program of physical and recreational activities
  to promote self-care and healthy habits.
- Recreational and social activities: A variety of activities
  that promote interaction and social connection, as well
  as corporate commitment and identity, for employees to
  enjoy with their families.
- Mental health program: The Company offers to all Enel Chile
  employees and their families individual psychological care,
  group meetings guided by a specialist and meetings for
  reflection and conversation, focused on sharing experiences
  associated with issues that impact mental health.

Finally, the Company launched a communications campaign to encourage employees to respect disconnection times, breaks during the workday and the efficient use of meetings, e-mails and calls.

## Respect for the rights of individuals and union relations

102-41 | 402-1

Enel Chile establishes fair and favorable labor conditions through collective contracts and instruments, that emerge from collective bargaining processes between unions and the Company, contributing to the responsible management of labor conditions.

For Enel Chile and its subsidiaries, collective bargaining is a valuable instrument for all parties and facilitates collaborative efforts, emphasizing the positive social impact on the organization, which demonstrates the Company's good practices in matters related to freedom of association and fair compensation.

In 2021, **73%** of employees were unionized through collective bargaining agreements.

## **Enel unionization in Chile**

406-1

Collective bargaining agreements shall be prepared according to the following guidelines, which refer to International Labor Organization (ILO) recommendations:

- Respect for and protection of freedom of association and the right to organize (ILO C87)
- · Respect for the right to collective bargaining (ILO C98).
- Respect and protection of the workers' representative (ILO C135).
- · Preventing discrimination against workers.
- · Local labor legislation.
- Guaranteeing the effective exercise of union rights in the workplace.





The measures that are in place to inform employees about their union rights are carried out through the union leaders or via personnel from the People and Organization Area. In the event of non-compliance with union labor rights, reports are received from employees through various confidential channels, such as the Ethics Channel, among others. These non-compliances are investigated as a first step for subsequent actions, in line with the regulatory demands in each country.

The Ethics Channel or whistleblower channel is promoted annually, both internally and externally, with emphasis on the

policies and protocols of the compliance program, <u>Code of Ethics</u>, <u>Criminal Risk Prevention Model</u>, <u>Enel Global Compliance Program</u>, <u>Zero Tolerance for Corruption Plan and conflicts of interest.</u>

The Internal Rules of Order, Hygiene and Safety contain a detailed description of the procedures for complaints of workplace harassment, sexual harassment and any other cause, as well as the investigation procedures. Complaints must be channeled through the Ethics Channel. During 2021, there were no reports of violations of the Code of Ethics in union matters, labor rights or discrimination.

Enel Chile has a Policy on Workplace Harassment and Sexual Harassment, which makes channels of complaint visible and available to all employees of the Company, to adequately address situations that jeopardize the employment opportunities of people working at Enel, promoting respectful treatment and in accordance with the values of the Company.

## **Remunerations**

#### 202-1 | 405-2

In line with the UN Sustainable Development Goals (SDGs), specifically SDG 5, the Company promotes gender equity guidelines. Therefore, the salary review process incorporates gender criteria and a job evaluation methodology that determines the relative value of each position according to its importance and contribution to the interests of the

organization. In this way, salaries are compared objectively with the reference labor market, considering equity criteria.

In 2021, the gap was **86%** in management-level positions. The average fixed and total salaries of women with respect to men, according to their professional category, are as follows:

	2021 salary gap	
	Base salary	Total salary
Executive level	96.24%	92.92%
Management level	88.14%	88.46%
Outside management level	89.69%	90.66%
Total	86.31%	86.45%









## **Communities**

103-1 | 103-2 | 103-3



## Primary material issue: Engaging global and local communities

#### How is it managed?

The Company has focused its work with local communities as a response to the main economic, social and environmental gaps present throughout the national territory, based on diagnoses associated with multidimensional poverty, and poverty or vulnerability associated to energy. The focus of the relationship is on the empowerment and resilience of the communities that inhabit the territories where Enel Chile develops its business activities, enabling their development with respect to their visions, cultures and realities.

Based on Enel Chile's vision and conviction that education is the fundamental engine for sustainable development at the individual and collective level, the reduction of energy poverty barriers (access, quality and equity) enable progress and the realization of people's life projects, while economic recovery and strengthening of the social fabric goes through local entrepreneurs, the Company co-designs sustainability plans with stakeholders to address initiatives according to territorial priorities, with a focus on gender and human rights. This is managed through a team dedicated to community relations deployed throughout the country, which works on building relationships based on transparency.

#### **Material issues**

- Access to energy.
- Community consultation in the development of new projects.
- Assessment of the impacts of operations on communities.
- Mitigation of impacts of operations on communities.
- Protecting of the health and safety of communities.
- Respect for human rights of communities, indigenous peoples and local traditional peoples.
- Social and economic development of communities.
- Working together with local communities

#### Importance of good management

To advance in sustainable development, it is critical to recognize the centrality of people and their role in the electrification process towards Net Zero. That is why Enel Chile prioritizes its work with the communities where it operates and bases its actions on transparent dialogue to legitimize its operations while at the same time gener-ating and distributing value in the communities where it is present, ensuring synergies that enhance growth and innovation, jointly solving the challenges faced by society.



# Sustainable Development Goal 4 QUALITY EUGATION 7 AFFORDABLE AND CLEAN EVERTOR 8 DEERIT WORK AN ECONOMIC GROW 17 PARTHERSHIPS 17 PARTHERSHIPS 17 PARTHERSHIPS 18 DEERIT WORK AN ECONOMIC GROW 17 FOR THE GOALS





## **Goals and challenges**

SDG	A at the formal	Goal Plan	Results	Goal Plan
	Activity/goal	2021-2023*	2021*	2022-2024*
4	Number of beneficiaries by educational programs (thousands)	268	471	977
7	Number of beneficiaries by energy access programs (thousands)	411	967	1.860
8	Number of beneficiaries under decent work and economic growth programs (thousands)	447	404	448

<sup>\*</sup> Cumulative beneficiaries since 2015

Principles of the Human Rights Policy					
Respect for the rights of communities	Enel Chile is aware that its activities may have an influence on the communities where it operates, so it is committed to making its investments in a sustainable manner and to promote cultural, social and economic initiatives in local communities to advance social inclusion through education, training and access to energy with <a href="mailto:the communities">the communities towards a just energy transition.</a>				
Respect for the rights of local communities	Enel Chile is committed to respecting the rights of local communities and contributing to their economic and social growth through programs for economic development that integrate local identity, and green jobs.				
Respect for the rights of indigenous and tribal peoples	When developing its projects, Enel Chile is committed to involving all relevant stakeholders, including indigenous and tribal communities, as the active participation of the community throughout the process is essential. IN this context, the Company works on adequate <a href="mailto:social man-agement with the communities of Alto Biobío.">social man-agement with the communities of Alto Biobío.</a>				





## **Communities**

The energy transition is presented as a great opportunity to advance towards sustainable development and address climate change by moving towards a Net Zero society. However, it must be managed with an inclusive approach that considers economic, social and environmental variables throughout the process, to leave no one behind and ensure that its benefits reach all stakeholders.

It is essential that the communities are also protagonists of this transformation. Therefore, the focus of Enel Chile's community relations strategy has been to walk together with local communities in the journey of energy transition, ensuring that it unfolds in a fair and inclusive manner. To achieve this, the Company has a territorial team dedicated to understanding local needs and identifying points of convergence with the corporate strategy, facilitating the creation of articulated solutions together with public, private and civil society actors, in pursuit of the development of the territories where the Company is present.

The growth of renewable energy in the energy matrix of the Company and the country has meant a significant territorial expansion of Enel's plants in Chile, while the process of closing coal-fired plants presents new challenges and opportunities for the territories where the plants have ceased and will cease to operate. At the same time, the growing demand for electricity requires strengthening the infrastructure for energy supply, advancing in the deployment of solutions to improve energy efficiency and generating conditions for safe and quality supplies. In this sense, community relations are fundamental to mitigating social and environmental impacts, and early involvement during the development stage of projects allows us to turn impacts and risks into opportunities, establishing relationships with a long-term vision for the local development of the communities where we operate. The Company is convinced that this is a key aspect for the success of its business, so it is part of the "People at the center" axis in its sustainability strategy.

The <u>Sustainability and Community Relations Policy</u> defines the principles to advance in the path of sustainable development in the territories where Enel Chile has operations.





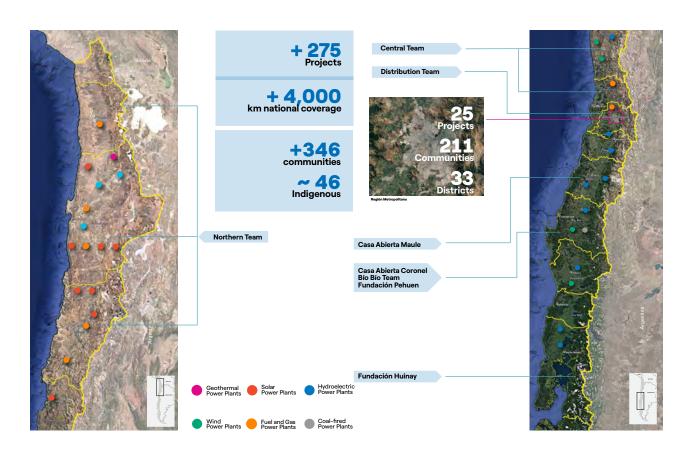






## **Enel Chile's presence throughout the country**

#### **PRESENCE IN TERRITORIES**







## **Building together sustainable progress for the country**

Our ESG performance

102-43

Enel Chile's commitment is reflected in its Sustainability Plan, in which people, and specifically the community, is a key player in advancing electrification based on clean energy. To this end, Enel Chile has oriented its work in line with three SDGs, which are directly related to its purpose and the needs of the communities in the territories.

## Local communities



High-quality, inclusive and fair education



2024¹
Goal

997,000
Beneficiaries



Access to clean and affordable energy







Sustainable and inclusive employment and economic growth





1. Cumulative figures since 2015







During 2021, Enel Chile contributed more than Ch\$ 12,640 million to communities. 91% corresponds to direct investments in communities; 9% to commercial initiatives with social impact and 1% to charitable donations. Of the total investment, 90% was in cash, 9% in time, 1% in goods and 1% in volunteer activities.



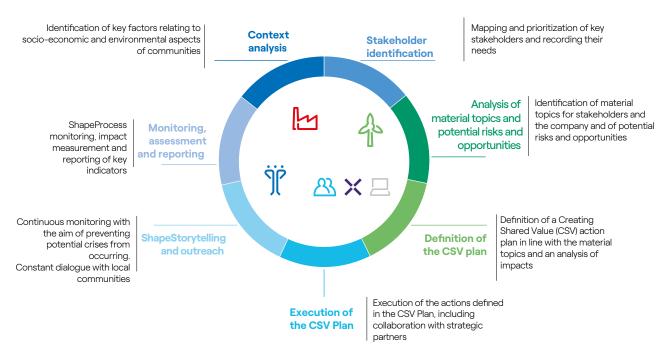
## **Creating Shared Value (CSV)**

Integrating sustainability into the business strategy, as Enel Chile has done, implies not only a cultural and paradigm change within the Company, but also the design of processes and tools that allow a true integration of sustainability throughout its value chain.

The Creating Shared Value or CSV model, developed by Enel Group in 2015, allows the Company to contribute to addressing socio-environmental challenges and issues, so that it can create value and distribute it to all stakeholders. This framework considers a series of analysis, planning and monitoring tools that are implemented in the different stages of the life cycle of the assets, such as business development, engineering and construction, operation and maintenance and decommissioning, allowing the design and implementation of actions linked to the needs of each project and territory, mitigating potential environmental impacts and maximizing social benefits.

In order to achieve effectiveness in the relationship with communities, the following should be considered:

- Identify community leaders with whom to establish contact.
- Introduce the company.
- Present the projects or maintenance activities to be developed, the possible social and environmental impacts of the work, the mitigation measures to be implemented.
- Open dialogue on the perceptions and expectations of the parties.
- Information about the channels established for the reception of Petitions, Claims, Complaints and Suggestions and to keep a fluid communication with the company, with contractors.
- Training for all employees and contractors who develop interaction activities with the communities on environmental
  and community management standards, the Enel Declaration of Human Rights, before initiating the activities and then
  periodically.





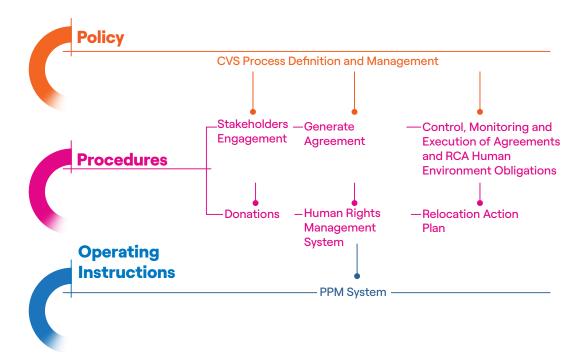
The CSV model requires annual planning in each territory where Enel Chile and its subsidiaries operate, based on the following analyses:

- Socioeconomic and environmental context of each area of influence.
- Stakeholders.
- Materiality, prioritizing the main issues of the business and the territory.

The action plan resulting from this process is co-designed and agreed upon with the communities and stakeholders. During 2021, 78 applications of the CSV model were implemented to design the various social and environmental initiatives carried out throughout the value chain of the different business lines.

#### Policy and procedures

A system of policies, processes and procedures regulates the relationship with more than 300 communities with which Enel Chile and its subsidiaries work daily, to avoid heterogeneous or misaligned decision-making in the objective evaluations of the contexts and legitimization of counterparties.

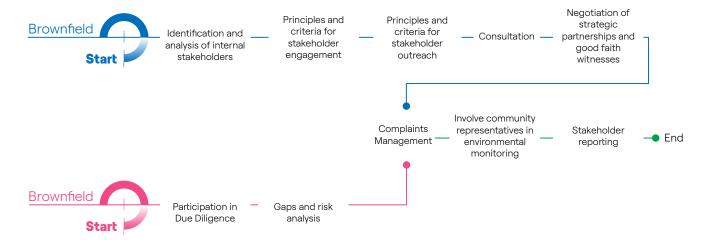


- Policy 211, "Definition and management of the CSV process": Defines how to design, implement, monitor and evaluate the various sustainability plans that apply to the various territories in which the Company operates, identifying roles and responsibilities. The model incorporates tools to evaluate social, economic and environmental needs, to define projects so that they create value for both the Company and local communities and mitigate any socio-environmental impacts they may generate.
- Stakeholders engagement: This Enel Chile procedure (PO 256) details the principles and criteria that apply to the relationship with various local stakeholders. It is based on dialogue, the delivery of timely and transparent information and the quest for agreements between the Company and the communities to co-design short-, medium- and long-term programs and initiatives, mainly aimed at sustainable growth.





#### **Policies and procedures**

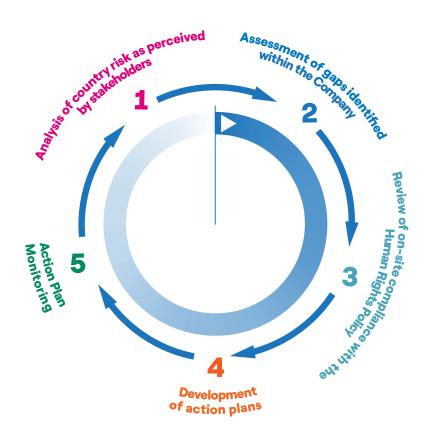


- Generation of agreements (PO 225): Regulates the
  formalization of an agreement between the Company and
  a community that interacts with the operations or projects
  of Enel Chile and its subsidiaries. It also regulates the process
  to certify the representative legitimacy of the interlocutors
  speaking for each stakeholder group relevant to the
  agreement, commitment or covenant, so that the contributions
  to institutions or interested parties are duly regularized.
- Control, follow-up and execution of agreements (OP 224): This includes the control and follow-up activities after an agreement is reached. To define them, some of the elements considered are a sustainability guide, assignment of roles and responsibilities, definition of functions involved, and identifying critical activities.
- Donations (OP 610): Provides guidelines for carrying out activities related to the granting and management of donations, ensuring consistency with the corporate strategy of sustainable development.
- Human Rights Management System (PO 847): Defines roles and responsibilities and describes the process of implementing due diligence for this system.
- Relocation Action Plan (OP 255): Standardizes management and strengthens compliance with relocation processes, establishing a guide for their implementation. This protocol is aligned with the "Manual for the Preparation of a Relocation Action Plan" of the International Finance Corporation (IFC) of the World Bank.





#### **Human Rights Management System**



PPM (Project Portfolio Management) System (OP 178):
 Defines the KPIs and the methodology for calculating impacts based on the characterization of the various social and environmental investment initiatives.
 The characterization of the initiatives includes CSV (Creating Shared Value) projects, CSR (Corporate Social Responsibility) projects and instances that fall within the context of philanthropy. The purpose of this system is to

highlight the relationship between the projects and the Company's assets, defining a common model throughout the Group for updating KPIs, ensuring the geolocation of each of the initiatives and assets to which they are linked, as well as developing a protocol for constant monitoring and measurement and a homogeneous reporting process in terms of results and impacts.

## With communities, towards a just energy transition

#### 413-1 | 203-2

The journey towards the transformation of the energy system requires an inclusive view to advance in a joint electrification model based on renewable energy, opening new opportunities and challenges to reconcile economic considerations with social and environmental aspects, to achieve sustainable progress. Enel Chile has adapted its work to be able to better respond to the main gaps present throughout the Chilean territory, with a view to strengthening the resilience and empowerment of local communities and promoting access to tools that enable their development in line with their own vision, culture and reality.

In the economic area, one of the focal points of the Company's management during the last year has been working with communities, authorities, the private sector and civil society for economic recovery, particularly for entrepreneurs. Likewise, fostering sustainable development implies working to reduce barriers associated with energy poverty, which is why the Company has confirmed its commitment to addressing this phenomenon in all its dimensions: access, equity and quality.





Analysis/Diagnosis	Guideline / SDG	Actions	Sub-actions	KPI
		<ul> <li>Promoting entrepreneurship</li> </ul>	<ul> <li>Skills     development     and technology     transfer</li> </ul>	<ul><li>8,158 people involved</li></ul>
Socioeconomic re-covery	8 DECENT WORK AN ECONOMIC GROW		<ul> <li>Seed and working capital</li> </ul>	<ul><li>+1,600 SMEs created or strengthened</li><li>56% managed by women</li></ul>
Gender equity		Tourism	<ul><li>Community- based tourism</li></ul>	<ul><li>14 communities involved</li><li>5 tourist routes</li></ul>
		Green Jobs	<ul> <li>Technical training in the energy sector</li> </ul>	<ul><li>150 people involved</li><li>30% employed</li><li>212 hours of training</li></ul>
			— Rural	- 74 homes connected
Energy poverty	7 AFFORDABLE AND CLEAN ENERGY	<ul> <li>Electrification: access, safety and quality</li> </ul>	- Suburban	<ul><li>1,239 new connections</li><li>4,956 people involved</li><li>5 communes</li></ul>
		<ul> <li>Energy Efficiency</li> </ul>	<ul> <li>Technology and infrastructure</li> </ul>	<ul> <li>431 infrastructure inter-ventions</li> <li>5,189 people involved</li> <li>27 communities</li> </ul>
		Energy Emolericy	- Knowledge	<ul><li>60 energy solutions (EE)</li><li>103 trainings</li><li>3,496 people involved</li></ul>
		Attendance and schooling	- Scholarships	<ul><li>661 scholarships</li><li>67% women</li></ul>
Educational gap in vulnerable rural areas	4 QUALITY EDUCATION	STEM and cli-mate change	<ul><li>Educational pro-grams and content dissemination</li></ul>	<ul><li>22 workshops</li><li>1,014 people involved</li></ul>
		Art, culture and heritage	Cultural     educational     programs	<ul><li>21 visits</li><li>436 people involved</li></ul>









## **Education for sustainable development (SDG4)**

This line of work promotes access to education, seeking to improve attendance and schooling rates, as well as to disseminate knowledge that contributes to the comprehensive education of young people throughout the country. Among the main educational topics promoted are science, technology, engineering, mathematics (STEM), and the environment, encouraging female participation, as well as promoting art, culture and local heritage.



#### **Attendance and schooling**

Rates associated with both variables, attendance and years of schooling, in rural areas of the country are well below the national average and, of course, lower than in urban areas. Moreover, according to the 2017 Census, the difference in terms of average years of schooling of the population aged 15 and above is 2.6 years between rural and urban areas, in favor of urbanites. If economic vulnerability conditions are added to this, the gap is even larger. Enel's presence in rural territories, some of them isolated, has allowed it to provide scholarships to more than 3,500 people since 2015.

 Ralco, Renaico, Pullinque and Pilmaiquén scholarships, contributing to the access and continuity of education in indigenous communities.

The project consists of financial assistance to students in elementary, middle and high school, to cover educational expenses such as tuition, clothing, school supplies, lodging and transportation, among others.

This initiative seeks to encourage the continuity of studies and permanence in the school system, focusing on accompanying children and young students, and advancing education as a driver of development in the different educational stages of children and young people, also including previous generations who wish to resume their studies.

These students come from rural areas and mostly belong to indigenous ethnic groups located in areas adjacent to the Company's power plants. The project is part of the commitments acquired by the Company through Exempt Resolution No. 10/97 authorizing the construction of the Ralco hydroelectric power plant, specifically, the long-term development program for resettled people. On the other hand, it considers the voluntary agreements acquired with the municipality of Alto Biobío and the indigenous communities neighboring the Pullinque and Pilmaiquén

power plants, and the neighbor organizations close to the Renaico Wind Farm

This initiative seeks to contribute to equity in the access and permanence of students in formal education and has achieved important results in terms of gender equity since, 67% of the 661 scholarship recipients of 2021 are female.

#### STEM and climate change

Promoting knowledge and skills associated to science, technology, engineering, mathematics and climate change is fundamental for the formation of young people who will be protagonists of the present and future. Not only are these crucial areas to solve relevant global challenges, but they are also key to promote innovation. Enel seeks to contribute to expanding the universe of young people who choose to study STEM careers, particularly girls and women, with a view to getting them interested in entering the energy sector in the professional field.

#### · Huinay Summer School

Permanent training program that seeks to develop scientific and technological capabilities, with theoretical axes and practical, of young professionals and disseminators scientists. Within Huinay Summer School, there are the following courses:

- Training new researchers: Focuses on studying the functioning of terrestrial and aquatic ecosystems in Patagonia, developing field experiments by collecting, processing and analyzing data from the region's ecosystems.
- Training of young professionals: Seeks to develop knowledge around new developments or technological adaptations that contribute better understand the functioning of terrestrial and aquatic ecosystems.
- Training of scientific communicators: Seeks to teach transmedia dissemination techniques, such as storytelling, blogging or podcasting; scientific illustration, whether traditional or digital graphic art; or artistic creation and development, such as musical compositions, with the aim of contributing to educate children, youths and adults about the ecosystems of Patagonia, raising awareness of their fragility and great biodiversity..

#### · Huinay teacher training on climate change

A diploma course on climate change education in the national context, taught by professionals from the Center for Didactic Research in STEM Education Sciences (CIDSTEM)





of the Pontificia Universidad Católica de Valparaíso and promoted by Fundación San Ignacio del Huinay. 18 teachers from municipal and subsidized private schools in the commune of Hualaihué were invited to participate in this initiative, which is the first in this field to be taught to teachers in the Chilean school system, and consisted of classroom and remote classes, plus five days of practical work in the facilities of the San Ignacio del Huinay Foundation, in the Comau Fjord.

#### · Adding energy for climate action

The impacts of climate change have shown the importance of placing economic growth at the same importance level as human and social development, and to consider these issues in balance with the environment. For this reason, Enel Distribución Chile joined forces with Chile Weather to offer a cycle of workshops with community organizations and educational establishments in concession areas, to promote learning about the phenomenon of climate change. These instances offer the possibility of acquiring new habits to understand and tackle the consequences of

the phenomenon early. The objective is to provide tools to chart a path and implement climate action initiatives. The workshops also address the main consequences generated by climate change on electricity distribution networks, its impact on the continuity of supply, and electricity related projects that promote environmental action and reduce carbon footprint within the system.

#### • Energy in balance, an infinite adventure

With the aim of contributing to the quality of education and the promoting scientific knowledge in the communities, especially children from different communes of the concession area, Enel Distribución Chile in alliance with Fundación Planetario created, produced and presents "Energy in balance, an infinite adventure", a short film that shows the effects of climate change on the planet, how it has been progressing and what are the actions that contribute to mitigate the impacts it has generated. This audiovisual material is part of the Planetarium's regular FullDome programming, and is shown Monday through Sunday, before each show. In addition, and to encourage participation, the





Company invited the communities to Planetarium Chile, so that they can enjoy the educational experiences offered to the public.

The COVID health crisis meant that the short film had to be exhibited via the planetarium's virtual platforms, which made it available to everyone. In 2022, this collaboration will release a second fil, this time about the Circular Economy, which invites people to think and act differently about their consumption habits, fostering a culture of valuable materials that are the basis for objects designed for unlimited use and zero waste.

#### My Ideal City: imagination and circular economy for a sustainable city

In 2018 and in collaboration with Fundación Litro de Luz, Enel Green Power began developing an educational program focused on science, energy and environmental care at the Víctor Hugo Carvajal Meza Humanist School In the commune of Taltal, where the Pampa Norte photovoltaic power plant is located. In its 2021 version, 40 6th grade students were invited to imagine their ideal city, complementing theoretical and practical knowledge to create a model. Even if due to the COVID crisis the program could not be held on-site, it was still carried out remotely, through a series of educational modules that students could explore on their own.

Students played, devised and created their ideal city and then prepared a 60-second video to present it to the world. Finally, there was an award-winning ceremony where the five videos with the most likes Facebook and Instagram were rewarded with a tablet for its creator.

#### Arts, culture and heritage

Art and history are essential to a comprehensive education. Not only do they provide tools that promote creativity while at the same time expose students to facts and events of the past; they also impart a sense of value and respect for the cultural heritage of the country and territory they inhabit. Through educational, developmental and scientific initiatives, Enel seeks to act on its appreciation of the history, environment, culture and people of the territories where it operates.

#### · Chilean Museum of Pre-Columbian Art

Together with the Chilean Museum of Pre-Columbian Art, Enel Distribución Chile is developing a project that will allow the Museum to reach the communities in the concession area with its educational, cultural and artistic offer.

Through a donation for cultural purposes, the Company will finance an online store where people can purchase passes for guided tours, general admission tickets, annual passes and books from the Museum's own publishing house. Enel also bought 1,000 tickets for members of the communities to take guided, virtual and in-person tours.

#### Domeyko Inclusive Artistic and Cultural Program

Since 2021, Enel has developed a line of work that aims to reduce social and environmental barriers that could limit people with disabilities and prevent them from developing fully and autonomously. In the context of the construction of the Domeyko photovoltaic power plant in the commune of Antofagasta, Enel joined forces with the Balmaceda Arte Joven Antofagasta Corporation, to offer a training program for inclusion through art for students between 18 and 25 years of age from the Rayito de Sol School of the Coanil Foundation; their teachers also received training within this framework. A visual arts workshop offered 17 participants the opportunity to embrace and cultivate their creativity through a guided approach to the visual arts and crafts. There was also a second workshop for young people wishing to learn cooking skills, which included food handling, cooking techniques and preparation of products for commercialization. As for teachers, a workshop was held on digital teaching for diversity, with the aim of developing diverse and interactive teaching and evaluation experiences, under gamification and challenge-based learning methodologies..

#### · Valuing archaeological heritage

As part of the commitments acquired through the Environmental Qualification Resolution (RCA by its acronym in Spanish), as well as based on previous Company and employee experiences, various archeological initiatives were launched or continued during 2021, going beyond contractual obligations. During 2021, an important archaeological research project was developed in the San Miguel sector of the commune of Renaico. The Project is being executed through an alliance between Enel and the Applied Studies Unit of the School of Anthropology of the Pontificia Universidad Católica de Chile, and it has already reached important milestones. Three archaeological excavations managed to unearth various fragments of material, which constitute an important contribution to the Archaeological Research of Southern Chile. The dissemination plan contemplated in the Project has already begun, with several internal communication activities and an outreach workshop called "Mapuche Pottery: Archaeological Rescue Renaico Wind Farm," in which fragments of Mapuche pottery collected from the archaeological campaigns were presented, and whose purpose was to rescue and promote the value of the archaeological heritage of the area, as well as to recognize the Mapuche cultural identity of the territory.

In the northern zone, the archaeological plan for the Cerro Pabellón power plant was initiated, which considers a series of measures for the comprehensive management of the archaeological heritage of the sites located in the areas of the power plant and the power transmission line in the commune of Ollagüe, Antofagasta region. This plan, beyond the obligations undertaken by the Company, incorporates



new measures that aim to contribute to the safekeeping of the local cultural heritage, such as the registration of archaeological sites and their status using innovative techniques for the collection of information. In addition, it incorporates internal protocols to reinforce actions to safeguard archaeological assets. The plan is implemented with the participation of six communities in the Altos del Loa area. These activities are in line with the commitment of the Company make its activities more environmentally and socially sustainable every day.

In the Campos del Sol photovoltaic power plant, currently under construction in the Copiapó district, hard work has been done to identify, safeguard and enhance the value of archaeological and paleontological findings. Enel is in the process of signing an agreement with the Paleontological Museum of Caldera to deliver paleontological pieces rescued from the construction site, according to the standards established by the National Monuments Council. This museum is unique in its kind and has a museological exhibition room housed in the old Caldera train station, the oldest in the country; it also houses the largest collection of prehistoric cetaceans, making it a world-class tourist and scientific attraction. In addition, the agreement signed between Enel and the Museum includes the creation of an educational program for local students to disseminate the heritage value of the rescued pieces.

## **Energy: access, quality and equity (SDG7)**

Through this line of work, Enel Chile seeks to address energy poverty or vulnerability, and investigate the dimensions of access, quality and equity, with a view to closing the gaps by ensuring the supply, communicating information related to energy and promoting a conscious and safe use of this resource. Enel Chile works to empower communities in energy management, providing them with tools and technologies so that they can be the protagonists of the transition.

The following is a description of the different axes that make it possible to carry out this line of work, highlighting some of the initiatives:

#### 1. Electrification

In its latest report published together with Generadoras de Chile, the Energy Poverty Network (RedPE) indicates that more than 24,500 households still do not have access to electricity, so public, private and collaborative solutions are key to addressing this deficit. In rural areas, the lack of infrastructure is one of the main barriers, while in urban

areas, informal settlements or slums, which have increased significantly in the last two years, many times resort to irregular connections that are not only dangerous for the families that live there, but also put the supply of neighboring homes at risk. Both phenomena are part of Enel's work axes within the framework of its sustainability and community relations strategy.

#### i. Rural electrification

• Grid infrastructure to electrify communities along the Pehuenche Route

The communities of El Médano, Las Garzas, and Curillinque in the commune of San Clemente in the Maule Region are located along the Maule River basin, the area of influence of the Los Cóndores hydroelectric plant, currently under construction. These communities lack a continuous, quality electricity supply due to their location far from the main urban centers and transmission infrastructure. These localities feature irregular occupation of land and





streets, which means that authorities are in a tough place to collaborate with the gaps that place dozens of families in energy poverty.

The only way for inhabitants to access electricity is using small fossil-fuel generators, which creates an environmental and acoustic problem, in addition to the costs and risks associated to the transport of fuel.

In this context, in 2020 Enel Chile developed an electrification project consisting of grid infrastructure to connect the 74 families living in these three communities. The project consists of more than 8 km of low and medium voltage grid infrastructure. The electricity supply will be provided from the operations of the Company's hydroelectric power plants in the basin where these communities reside.

The works were completed during the first quarter of 2021, at which time work began with the NGO Egea to design, together with the communities that are part of the project, a management model that will provide sustainability to the operation of the system over time. This work began with a diagnosis of the community's energy consumption, to understand the main uses and what neighbors aspired to do, when they had a 24/7 supply. After that, a model was generated to create a community electric cooperative, defining its organization chart, roles and responsibilities, along with a business model. In 2022, the work will focus on consolidating the formation of the cooperative and initiating administrative procedures and training for it to begin operating.

#### ii. Suburban electrification

In the city of Santiago, where Enel Distribución Chile has the concession for electricity distribution in 33 districts or communes, there is a diversity of socioeconomic, infrastructure and habitability realities. In recent years, the Company has strengthened its work in informal settlements or slums, and with low-income families, to address the electrical risks to which their homes are exposed, such as

accidents and fires due to unsafe connections. Another area that has been at the core of these outreach efforts is the possibility of switching to a formal supply.

# Energy safety in the Metropolitan Region informal settlements or slums

With the aim of involving communities in the path towards an affordable, safe, sustainable and modern energy transition, and in consideration of the increase of families living in slums –after the pandemic, the increase has been by 224%– Enel Distribución Chile launched its Energy Safety in Settlements project. During 2021, almost 5,000 people living in slums gained equal access to energy and improved their quality of life through 1,239 new electrical connections. This involves the regularization of electrical connections in the Luna de Haití and Vicente Reyes settlements in the Maipú district.

in a collaborative alliance with Fundación TECHO Chile through the "Common Roof" project, Enel Distribución Chile co-designed with the families two sustainable community centers, which were built in 2021, to enhance sustainable community development. Additionally, a Spanish course was held for Haitian immigrants, which helped to reduce the language gap, as well as a micro-entrepreneurship program aimed at empowering and promoting the economic independence of people living in these communities.

Furthermore, in conjunction with the Litro de Luz Foundation, sustainable solar infrastructures were installed, made from recycled material and implements that use non-polluting and renewable-source technology to illuminate the two social centers and community spaces recently built.

After engaging in design workshops, neighbors produced sketches that portray the history and identity of the neighborhood. Later they painted the walls of the Company's electrical substations, integrating them into their own urban fabric and using ecological materials that transform the streets into true open-air museums. Through the expression of art, this initiative brings new energy to the neighborhoods.

#### Open Power to Art Santiago (ODS 11)

Some of the goals included in the United Nations (UN) Sustainable Development Agenda for 2030 include the importance of culture and the transformation of cities into increasingly sustainable areas.

In this context, Enel Transmisión Chile and El Colihue Foundation, through the Open Power to Art initiative, seek social inclusion through the recovery of public spaces and of environments shared by various communities. One of their proposed courses of action is to add sustainable art and culture to the mix, as was the case with the community murals painted collectively in 900 m² near the Ochagavía Substation of Pedro Aguirre Cerda (650 m²) and San José (250 m²) in Lo Prado. This project is achieved by generating instances of collaborative work between neighbors, local artists, municipalities and the Company.





#### 2. Technology and infrastructure for energy efficiency

Increasing the energy efficiency rate is one of the subgoals associated with Sustainable Development Goal 7, as well as being an important focus of action in the national energy strategy. To achieve this, it is necessary to provide technologies and infrastructure that enable greater efficiency in the consumption of homes, towns and cities.

#### Innovability projects; energy efficiency, recovery of public spaces and road safety in Quintero, Quillota, San Clemente and Colbún

Innovability projects seek to bring technological innovation to the locations where Enel's power plants operate, to make the neighborhoods more sustainable. Through local participation and engagement, the Company drafted sustainability plans for the San Isidro and Quintero thermal power plants, located in the municipalities of Quillota and Quintero respectively, and the Los Cóndores hydroelectric power plant, currently under construction in the municipality of San Clemente. This resulted in initiatives to improve the energy efficiency of community facilities and increase the safety of neighborhoods and roads. In its commitment to involve the communities in the energy transition process, Enel has translated these priorities into solutions through innovative, renewable and electric technologies:

- In Quillota and Quintero, the following projects have been undertaken: 9 photovoltaic systems were implemented in social centers and in the fire station, 22 autonomous poles were installed in dark areas and 138 luminaires were updated with LED technology, an electric car station was installed, and the Company donated an electric vehicle for the Quintero Hospital.
- In San Clemente and Colbún, by the end of 2021, more than 250 LED luminaires were installed and replaced on the Pehuenche international route, totaling an extension of more than 45 km, benefiting 13 localities.

#### · Litro de Luz in informal settlements

In the context of its commitment to a just transition, Enel Distribución illuminates and provides security in common spaces in the Vicente Reyes and Luna de Haití informal settlements in the commune of Maipú. This project is done in collaboration with the Litro de Luz Foundation, via the installation of solar lights around two sustainable social centers. The lighting system was set up together with the community, who have acquired the skills to manufacture

these lights based on recycled material and parts of solar energy generation systems, all low-cost materials. Beyond leaving installed capacity, this approach delivers concrete tools for users.

# Renovation and delivery of lighting in multi-purpose sport courts

It's important to have spaces to practice sports, and that also constitute a meeting point for members of the community. This project seeks to recover and habilitate public sports spaces by updating their electrical and lighting systems, replacing them with safer and more efficient infrastructure thanks to LED technology lighting. It includes a lease that transfers the administration of the equipment to social, community or municipal organizations.

In 2021, this project, which recovers meeting places for families and promotes sport activities, has benefitted more than 1,100 people from the communities of Macul, Huechuraba, Cerro Navia and Colina.

#### 3. Energy knowledge and awareness

In addition to the development and transfer of technologies and infrastructure for energy efficiency, to achieve global and national objectives, it is key to work on generating cultural changes regarding energy consumption. Raising awareness about energy, its value chain, risks, benefits and educating on individual responsibility regarding efficiency, is an area that Enel has been addressing for some years.

#### Recoleta energy inclusion program

Improving equitable access to quality energy services reduces the existing energy poverty gaps in the country. Therefore, Enel Distribución Chile, in a joint work with EGEA Foundation, the Energy Poverty Network, Energy for All Foundation, and the Municipality of Recoleta, contributes to the human and economic development of people, through the Recoleta Energy Inclusion program. The initiative seeks to include communities in the path towards a fair energy transition, and in this stage improved the energy conditions of 60 households in the commune. Based on a diagnosis of Energy Poverty, different solutions were developed by implementing workshops related to energy efficiency and renewable energies, oriented towards responsible electricity consumption, the efficient use of energy and delivering energy improvements through the replacement of efficient appliances, thermal insulation and electrical installations with a local perspective.



#### Energy Efficiency

Our sustainable progress

In order to promote efficient self-consumption, reduce energy poverty gaps and raise awareness of the impact that consumption actions have on the environment and the family budget, Enel Distribución Chile conducts workshops and talks for neighbors on responsible electricity consumption and efficient use of energy in the home, the impacts of energy efficiency on the family economy and environment, how the tariff, reading and billing system work -with an explanation of the respective relevant characteristics of electricity service and tips to carry out self-efficient consumption at home.

The workshops are part of a collaborative work with municipalities, neighborhood councils, local NGOs and other social organizations. During 2021, 3,166 people from 32 communes in the concession area participated. Additionally, to facilitate access to the contents, the workshop was adapted to audiovisual format and published on social networks, registering more than 300 thousand views.

#### Preventing of electrical hazards

Committed to the development and dissemination of a culture of safety and risk prevention, Enel Distribución Chile conducted a series of virtual and face-to-face talks where specialists in risk prevention addressed residents of the neighborhoods with the highest number of electrical accidents, with a view to give them information and tools to reach a zero accidents standard. Additionally, the initiative considered creating a video for social networks, to inform and guide communities in the safe use of energy, motivate self-care, avoid and reduce risk situations due to ignorance in the handling of irregular electrical installations both in the home and on community areas. During 2021, 23 workshops were held with the participation of more than 500 people.

#### Electrical Safety School

Collaboration and coordination are of utmost importance to improve response times in emergency situations that may affect people, the electrical distribution network



and the continuity of supply. Focused on acting before, during and after an emergency situation, the Electrical Safety School for Institutions project seeks to train and provide, through theoretical and practical modules, knowledge about the infrastructure and operation of the high-, medium- and low-voltage grid, with emphasis on the prevention of electrical risks, providing tools to face emergency scenarios in electrical risk situations, ensuring the safety of the employees of different institutions, as well as that of the neighbors of the concession area. The modules were designed for institutions considered strategic, such as Firefighters, the Police Department, CONAF (Chile's Forest Protection Agency), Rescue and Emergency Units, and Municipal Security, organizations that are usually first responders to situations that put the safety of citizens at risk. The objective is to form a collaborative network that reduces the risks related to operating in energized areas or elements.





## **Economic development with local identity and green jobs (SDG 8)**

Through this line of action, Enel Chile seeks to promote entrepreneurship and the development of skills that enhance the quality of work of local communities, valuing the knowledge and resources present in each territory, along with collaborating in the growth of micro, small and medium-sized enterprises (MSMEs), through seed or working capital to strengthen, reconvert or scale. Additionally, the aim is to understand the environment in which the Company's plants are located throughout the country, to value their cultural, natural and historical richness and diversity, and to work with local communities to promote sustainable local tourism.

The work on economic development is particularly relevant due to the consequences of the health crisis, especially considering that many family groups have seen their work capacity and income diminished.

Furthermore, to take advantage of the opportunity to carry out a socially and environmentally sustainable recovery under the principles of the energetic transition, the Company has designed programs to develop technical expertise in relevant trades within the value chain of electricity generation and distribution, or for the development and implementation of sustainable energy solutions.

#### **Featured Initiatives**

#### 1. Green Jobs

The energy transition starts with the process of decarbonization of the energy matrix, which implies not only the closure of fossil fuel power plants, but also the growth of renewable installed capacity to promote the consumption of energy from clean sources. This makes it imperative to make solutions available to people, industries and cities. A significant increase in the demand for electricity is projected, so the role of the grid infrastructure, as an enabler of the energy transition, is key for the transportation and distribution of such renewable energy, allowing a continuous and reliable supply. There are many challenges and opportunities associated to this axis, including the creation of thousands of new jobs.

# • Energía con Fuerza Local, training professionals for the energy sector of the future

As part of its sustainability and community relations strategy, and in line with the country's energy route, Enel has developed the *Energía con Fuerza Local* program, which aims to develop technical knowledge in relevant trades within the value chain of the generation and distribution of electricity, or the implementation of sustainable energy solutions, allowing opportunities for economic and social development linked to the area.

In the area of energy generation, in 2021 Enel Chile joined forces with INACAP, a recognized technical college, to develop three pilots in the municipalities of Maria Elena, Antofagasta and Copiapó, where the Finis Terrae Extension, Domeyko and Campos del Sol photovoltaic power plants are being built, to train 130 people. Among the participants are members of the Colla communities, immigrants and a group of prison inmates, with more than 50% female participation, helping to promote diversity in the industry.

Likewise, electricity distribution is also presented as a space for the development of fundamental jobs to enable the energy transition, which is why a pilot was carried out at the end of 2020 with INFOCAP, which trained 20 people from different communes of the concession area in low-voltage household electrical installations. In 2021, the project was extended to another 20 people, this time in conjunction with the Universidad Santo Tomás and with the respective certification and registration of students before the Superintendence of Electricity and Fuels, increasing their chances of formal job placement or entrepreneurship related to the electricity sector.

The experiences and lessons learned from the pilots led Enel to sign an alliance with Universidad Santo Tomás at the end of 2021, which will allow it to collaborate in the development of the *Energía con Fuerza Local* program over the next three years, extending the courses to more renewable technologies, business lines and territories, with the aim of enabling green jobs throughout the country, enhancing sustainable economic recovery and employability of local communities.

Through its renewable energy projects under construction during 2021, Enel Chile created on average more than 5,200 jobs, of which 64% corresponded to people from the same regions in which they are located. Likewise, in the same year, Enel Distribución Chile generated more than 350 jobs in the Metropolitan Region.



#### 2. Promoting entrepreneurship

Entrepreneurs and entrepreneurship are one of the main sources of employment in the country. Strengthening existing small businesses and collaborating to create or reconvert new ones is fundamental to make them more resilient and increase their capacity to generate better quality jobs and better incomes. Throughout the country, the Company collaborates with more than 1,600 entrepreneurs, seeking to add value to the knowledge and resources present in each territory.

#### Skills development and technology transfer

Enel works with more than 8,000 people in the development of new skills and access to new technologies to enhance technical and practical knowledge for entrepreneurship, along with collaborating in the acquisition and development of technology or infrastructure.

#### - Pehuenche cooperative - We Kimun

The commune of Lonquimay is in the mountainous territory of the Araucanía Region, an area where the Pehuenche Pewen Mapu indigenous community resides. In 2017, six families from the community started a small-scale potato production project.

Potato production corresponds to the cultivation of a staple food of the diet of the native peoples of the region, used in many ways and brought to Chile by the Incas during their expansion to the south of the continent. The Mapuche people maintain their ancestral food base, where the potato plays an important role and connects with their American origin and identity throughout the centuries.

To facilitate the sale of potatoes and the formalization of their commercial activities, some members of the community created the *We Kimun* Agricultural Cooperative (which in Chedungun, the Mapuche-Pehuenche language, means "new knowledge"). The Cooperative has enabled them to apply for public and private funds exclusively for this type of organization, significantly increasing their investment capacity.

In 2018, the project achieved certification with the Agriculture and Livestock Service (SAG) as a seed potato producer, making the cooperative one of 17 accredited seed potato suppliers in the Araucanía Region, which adds enormous value to their product.



In 2019, the community began the construction of a multipurpose agro-industrial processing room, which has allowed them to manufacture of agro-processed products (jams, vacuum-packed potato chips, vegetables, nuts, etc.). It is important to point out that the raw material is local and territorial and is obtained from the land that the families of the community share.

Enel Chile has cooperated in the evolution of this community project by collaborating with the *We Kimun* Cooperative in an innovative crop program, adding strawberry crop demonstration units to the potato crop, with a first batch ready for harvest at the beginning of 2020.

Also, during 2020, the cooperative played a fundamental role in guaranteeing food security in the commune of Lonquimay, by selling the municipality 15,000 kilos of potatoes during the COVID-19 health emergency, which were distributed to families in the territory that were economically impacted by the pandemic.

Another important step forward was taken in 2021, with the inauguration of an air-conditioned warehouse for potato storage, which will increase the shelf life of the tuber and the possibility of marketing it in times of scarcity, together with the expansion of the processing room, which will increase production capacity and allow diversification of supply.

This project received 1st place in the good practices for a more sustainable future 2021 contest organized by Generadoras de Chile. This will give the community of Lonquimay access to a training program developed by Generadoras and the Universidad Católica Center for Public Policy (Centro de Políticas Públicas UC).





#### Circular Eco Carpentry

Together with Fundación El Colihue, Enel Distribución Chile implemented a training workshop to train, provide tools and leave installed capacity for neighbors of the Cerro Navia electrical substation. This effort also sought to revalue discarded wood from the construction works in the substation, which were made into furniture pieces for social organizations.

This initiative promotes labor reconversion to comply with SDG 8, while also reducing the carbon footprint generated by the Company, as it prevented +1200KG of wood from being sent to a landfill. At the same time, initiatives like this allow people to put circularity concepts into practice, identifying opportunities for waste revaluation.

# Eco furniture shops in San Clemente become suppliers for the housing repair process in Coronel

The eco-furniture shops in the towns of La Mina and Pehuenche de San Clemente, Maule, which are part of the organization of entrepreneurs of the Pehuenche Route, Createrra, have been part of the tourism strengthening program that Enel has been developing with these communities in the framework of the construction of the Los Cóndores hydroelectric power plant.

In 2021, Createrra provided furniture for 15 temporary homes for families resettled in Coronel, a work which Enel undertook in collaboration with NGO Sembra. The eco-furniture stores delivered **108 pieces** of furniture, mainly chairs, night tables and tables, using 237 residual pallets from the Los Cóndores project, equivalent to more than 4,700 kilos of wood, and creating jobs for 9 people, including 6 women.



#### - FOCO Digital Ovalle Program

In the context of the health emergency caused by Covid-19, and with the aim of contributing in concrete ways to the economic recovery of one of the hardest hit sectors, tourism and gastronomy, Enel joined forces with El Colihue, a training organization, to develop the FOCO digital program in the municipality of Ovalle. FOCO promotes digitization and organizational management of entrepreneurs in the sector, through training in business digitization, online sales and search for partnerships, among others. FOCO proposes

a new strategy to generate and strengthen the market, in which competition among entrepreneurs is replaced with collaboration and support of mentors in the transformation process, moving towards a change in the way we understand, create and manage their offer, and giving value to the complementarity of products and services offered by the tourism industry.





#### Quintero Mide, a corporation of social leaders for environmental sustainability

Corporación Quintero Mide was formed in 2019 by neighbors and social leaders of Quintero, who had been training since 2017 in environmental issues and community monitoring, to ensure a pollution-free environment for the benefit of the entire commune. All of this, in the context of Enel Generación Chile's Sustainability Plan in the territory.

One of its objectives is to know and understand the measurement of emissions in the bay, and therefore this initiative wants to implement a community monitoring system, which is a tool to provide information on emissions and guidance on decisions for the benefit of the community.

To comply with the above, one of the challenges of Corporación QUINTERO MIDE (QM) for 2022 is to implement a pilot project for a Community Emissions Monitoring System; with this objective, the QSense device, developed in conjunction with the companies Quintil Valley and Innervycs, was conceived, designed and presented as the first prototype. This measurement prototype has will have a trial period of three months, to then begin a pilot that will be extended for most of 2022, with the aim of fully understanding the scope of the information being collected.

This device will provide a new tool for the inhabitants of the Quintero commune, fulfilling their commitment to giving everyone access to environmental information.

#### - Competitive funds

With the aim of contributing to the recovery and economic reactivation of entrepreneurs in the territories where Enel operates, competitive funds have been developed to provide seed or working capital to about 840 MSMEs throughout the country. The funds are meant to finance equipment and supplies, enable or adapt physical spaces and infrastructure, obtain permits and certifications, implement and adapt digital tools, and adopt energy efficiency solutions, among others.

#### Community tourism

Enel's generation plants, located throughout the country, are in unique places, each with its own identity. With the objective of connecting the assets to their territories, generating the least possible impact on their surroundings and seeking to value their cultural, natural and historical richness and diversity, Enel works with the communities in sustainable tourism initiatives.

Sustainable tourism seeks to promote the local identity of the territories and natural environments in which Enel's generation plants are located, by co-designing tourist routes operated by the communities themselves, who provide associated products and services. For some time, the Company has been working with the communities in the development of five tourist hubs:





- Alto Loa: In the Andean area of the Antofagasta region, known as El Loa, Enel has been working since 2018 with Fundación Rondó and the Atacameño communities of Caspana and Toconce, and the Quechua community of Ollagüe, to develop of a tourist route that allows them to value their traditions and life in the desert, through an itinerary that offers services developed by the communities themselves. This route starts at the Desert Interpretation Center (CID), an infrastructure developed by Enel at the site of the Valle de los Vientos wind farm in Calama, a space for the dissemination of renewable energies and the natural and cultural heritage of the area.
- Copiapó: In the Quebrada la Puerta valley, just a few kilometers from where the photovoltaic plant Campos del Sol is located, Enel is working with three Colla communities, Colla de Copiapó, Pastos Grandes and Sol Naciente, to create a tourism development plan to enhance the value of their cultural heritage, archeology and to give them a platform to supply services with local identity. The program began in 2020 with the first training courses for 30 people from the community. In 2021 the tourism itinerary was drafted, and work began on improving access to basic services: electricity through individual photovoltaic systems and drinking water through technologies for the purification of water from atmospheric humidity, which will not only improve the quality of life of the inhabitants but will also allow communities to offer a comprehensive range of tourism services.
- Maule, Pehuenche Route: The Paso Pehuenche international route connects Chile and Argentina through the upper part of the Maule basin, where Enel operates six hydroelectric power plants and is currently building the Los Cóndores power plant. The sector has natural attractions available all year round, such as hot springs, rivers, and mountains. Nine communities live along this route, with which the Company has worked since

- 2017 to develop skills that allow them to undertake and generate an offer of products and services along this important tourist corridor. After several years of training and education, today entrepreneurs from the towns of Paso Nevado, Armerillo, Las Garzas and La Mina have formalized their businesses and have grouped together under Createrra, through which they offer their portfolio of native handicrafts and promote conscious tourism along the route.
- Alto Biobío and Santa Barbara, Mapuche Pehuenche Tourism: In the communes of Santa Barbara and Alto Biobío, where 10 Mapuche Pehuenche communities live around the Ralco hydroelectric plant, Enel has developed an important collaborative work with the aim of strengthening the development and quality of life of these communities. Among the areas addressed, the Company and the communities have collaborated to promote tourism in the territory, valuing the natural and cultural heritage of the communities and their environment, enabling infrastructure that allows them, among other things, to obtain sanitary resolutions, together with education and training programs. A good example is the Laguna El Barco campground, managed by local Pehuenche families, who receive an average of more than 5,000 visitors per year.
- Pilmaiquén: La Isla-Salto La Olla Park is a 6-hectare pristine forest adjacent to the Pilmaiquén hydroelectric power plant, which in 2017 was handed over by the Company to the Mapuche community Mapu Pilmaiquén, an emblematic action in terms of recognizing the cultural value of the land for the Mapuche community. Today Mapu Pilmaiquén manages the enclosure with an ethnotourism offer that allows visitors to immerse themselves in the Mapuche cosmovision, along with access to products made by the communities in the workshops that operate in the Pilmaiquén power plant itself, and to manufacture which they have also participated in an extensive training program. La Isla Park receives around 5,000 visitors a year and is among the three most visited parks in the region

**Rutas.Energy** is a platform whose purpose is to promote sustainable tourism and energy education through initiatives of heritage and tourism value, local entrepreneurship and renewable energy generation plants. The platform seeks to strengthen the interaction between these various actors through the creation of routes that will unite energy, tourism information and local enterprises, which also have an online presence. This initiative was developed in partnership with the energy consulting firm EBP and in collaboration with Enel, Engie and Cerro Dominador, for the implementation of the first route in the Antofagasta Region, which will be launched in April 2022. For further information see the Circular Economy Chapter .









## **Commitment to Human Rights, Ralco, Bocamina and Pullinque Cases**

# RALCO: social management with the communities of Alto Biobío

Deep in southern Chile and 380 kilometers long, the Bíobío River is the second largest in the country. It is also home to indigenous Pehuenche and Mapuche communities, and non-indigenous rural and urban settlements. Its waters are a very important contribution to the production of energy and above all, for human consumption, irrigation, recreation, biodiversity conservation and improvement to the habitability of the people who populate its basin.

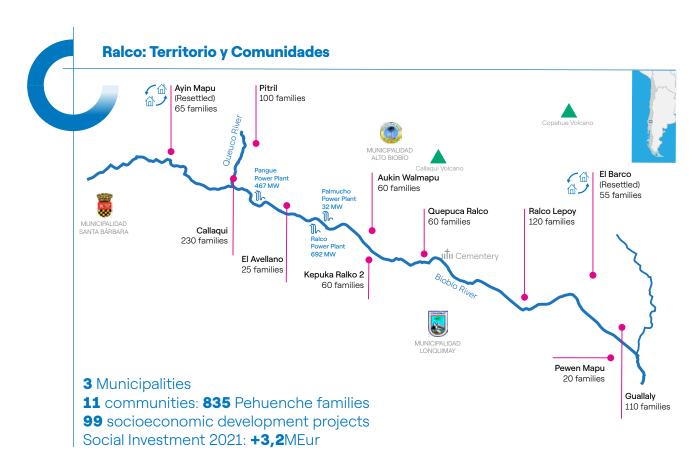
The commune of Alto Biobío has a population of 5,923 people (CENSO, 2017) and it is a territory inhabited by Pehuenche communities since ancestral times. They live from Trapa (commune of Alto Biobío) to the Icalma Iagoon (commune of Longuimay).

# Hydroelectric Power Plants in the Biobío Region

Enel Generación Chile's main hydroelectric plants in Biobío are Ralco (690 MW), Palmucho (32 MW) and Pangue (467 MW). For the construction of the Ralco hydroelectric power plant, 3,467 hectares were flooded, of which 638 corresponded to Pehuenche families. Due to the size of the reservoir, 81 families were resettled on land belonging to the indigenous communities of Ayin Mapu and El Barco, located in the communes of Santa Bárbara and Alto Biobío, respectively. Social and housing services were provided for the resettlement, together with a 10-year Continuity Assistance Plan (PAC).

While the environmental and social commitments were only intended for the Ayin Mapu and El Barco communities, Enel is currently participating in "collaboration tables" with eight additional Pehuenche communities to work together in various endeavors. They have committed to a dialogue agreement as a mechanism to solve differences.

## **Map of Alto Biobío Communities**





# Re-establish relationships based on human rights

For Enel, Human Rights are relevant in all its management decisions and therefore, three Due Diligence processes have been carried out with special attention to social, environmental and safety issues, beginning in 2016.

These were carried out through to the complete execution of their Action Plan, which proactively addressed the risks detected. The central axis of this plan was coordinated work between the stakeholders linked to the operation, to generate awareness of the company's Human Rights policy and the risks detected, and to train contractors in community issues. Additionally, the Ralco Plan helps parties to address historical issues and establish a permanent dialogue with all the communities in the territory.

# Process of impact remediation and relationship reconstruction

In 2017, two agreements were signed between Enel Generación Chile and the communities that stated their complaint for the impacts generated by the 2004 flooding of the Pehuenche cemetery in the Quepuca Ralco area. The agreements were jointly signed by the leaders representing the families and witnesses of faith, the Archbishop of Concepción, the Provincial Governor of Alto Biobío and the Mayor of the Municipality of Alto Biobío.

These agreements represent an important step forward in the Company's relationship with the communities in the most affected area and open the doors to a new cycle of relationship under a perspective that fosters collaboration between the company and the communities.

Currently, there are agreements for dialogue and collaboration with nine communities in the area, and actions have begun that aim to promote the socioeconomic development of the families through the implementation of innovative projects that seek to conserve natural resources and the Pehuenche culture. In short, sustainable development

#### Progress of measures associated with site 53

Specific progress to date for each of the measures is presented below:

Improvements to the Ralco Lepoy Community Cemetery

This commitment has been finalized and its fulfillment was reported to the Environmental Authority through letter No. 35 Generation Management dated May 5, 2010.

The design and construction were validated and received by the leader of the time, and by the Biobío Health Seremi, through Exempt Resolution No. 00865, which authorized the operation of the Ralco Lepoy cemetery.

Notwithstanding, the new leadership of the community requested Enel, in addition to the executed plan, to expand the community's cemetery. The Company made efforts to try to arrange an acquisition or exchange of neighboring land with the corresponding owners, which are known to the Ralco Lepoy community, but it was not possible to reach a fair agreement.

 Support the existing school in Quepuca Ralco and build a community center - IN PROGRESS

Regarding this measure, Enel (formerly Endesa), together with the user communities, has worked on the following alternatives, from 2006 and onwards:

- Improvement of the infrastructure of the Quepuca Ralco school, its furnishings and educational equipment (this was finally rejected by the communities because the school is a private establishment).
- Purchasing the school located in the Quepuca Ralco sector from the owner (which was finally rejected by the users), and
- Looking for land in the area for the construction of a new school.

Therefore, and to comply with the measure as the user communities viewed it, Enel proposed the construction of a new school in the community of Quepuca Ralco, an idea that was well received in the territory. During 2016 and 2017, a technical tour was conducted with the communities involved with the purpose of learning about similar experiences, with culturally relevant design and educational models. Subsequently, the place where the committed school would be built was defined together with the communities. The design of the building and creations of the educational project began in 2020, with the participation of the Municipality of Alto Biobío. It was agreed that the community center will be integrated into the school, by equipping the gymnasium to accommodate the community and its activities. The construction of the school was awarded in 2021 and in December of the same year the building permit was submitted to the Alto Biobío Department of Municipal Works, and the project is now in the early construction stage, with a completion period of 14 months.





Quepuca Ralco School: during 2021 Enel took an important step with the awarding of the construction of the school and the submission of building permits to the Department of Municipal Works. After co-designing the architecture and co-creating an educational model that is culturally relevant to the communities of El Avellano, Quepuca Ralco, the Municipality of Alto Biobío and the provincial education department in 2020, construction of the school will begin in 2022. The site will also serve as a community center since the gymnasium has been designed as a multipurpose space that will allow the communities to carry out their activities.

#### Construction of a flooded cemetery memorial in the community of Quepuca Ralco - IN PROGRESS

To move ahead in fulfilling this commitment, it has been defined together with the communities involved that the landmark should be located on the same land where the Quepuca Ralco school will be built. In February 2020, it was agreed to learn about the experiences of memorial landmarks in northern Chile, which could serve as inspiration when defining the landmark for this territory. However, these actions are subject to the sanitary situation of the country. Notwithstanding the above, in 2015–2016 Enel hired the consulting firm Cero to create a proposal for the design of a memorial landmark. This proposal was shared during 2016 only with the local authority, to collect opinions and suggestions and is considered a draft sketch to co-design with the communities themselves.



 Identification and effective protection of indigenous heritage sites in the area (delimitation, characterization and conservation interventions)

In view that CONADI (the Chilean Corporation for the Development of Indigenous Peoples) must be the guarantor of compliance regarding the compensatory measures for site 53, in 2010 the Company and CONADY signed an agreement to launch the "Project for the Identification and Protection of Pewenche Heritage Sites in Alto Biobío". The consulting firm Cero performed the related works between October 2010 and August 2011. In addition to the above, and considering suggestions from CONADI, Enel engaged in an additional communication campaign that culminated in March 2016 with the delivery of a thematic map identifying the heritage sites and explanatory polyptych texts (in three languages) to the Municipality of Alto Biobío and CONADI.

 Management and financing for the construction of a cemetery in Quepuca Ralco - IN PROGRESS

After evaluating possible locations for this cemetery with the communities and advancing in a preliminary design project for the cemetery, the communities that would use this space expressed their apprehension about the intended location, so a process of search and analysis of land plots in the area with suitable characteristics for the implementation of an indigenous cemetery under the "Regulations for indigenous cemeteries" of 1930 was initiated.

In 2021, leaders presented 4 proposals of land plots located in the Quepuca sector, with the purpose of having them technically evaluated for the habilitation and construction of the cemetery.

At present, the company is working with the Ministry of National Property and CONADI to achieve the subdivision of the selected land, to enable its transfer to the community of Quepuca Ralco.



#### **Bocamina**

The Bocamina thermal power plant has two thermal units built in 1970 (I) and 2007 (II), both located in the Coronel sector in the Biobío region. During its first two decades, it was fundamental for the economic development of Chile, contributing to the stability of the electrical system and the coal industry.

As leaders of the energy transition and in view of its commitment to decarbonize the generation matrix, Enel Chile closed the first Bocamina unit in December 2020 and the second is scheduled for disconnection in May 2022.

# Coronel: The roadmap to sustainability of the resettlement process

#### The largest resettlement in Chile, due to industrial impact

Bocamina II was built in an area characterized by high urbanization and social vulnerability. This generated impacts on the housing units around the construction site, causing a major conflict between the company and the communities, which was managed in 2008 through a relocation plan of approximately 400 families to different parts of the commune

In 2014, the joint work of the company, Endesa Chile at that time, with other actors and organizations, resulted in an agreement that was developed along three axes, including the extension of the resettlement policy to another 900 families in the surroundings of the Bocamina II power plant, through a public-private resettlement agreement between families, SERVIU and the Company.

Resettlement implied a series of benefits such as acquiring regularized housing with urban conditions such as access to drinking water, sewage and a stable energy supply system, which, from the point of view of material/physical benefits, improved the housing situation of an important part of the universe of resettled families. However, it generated the rupture of the previous social fabric, composed of families that lived together and collaborated as a community, leaving them distributed in different parts of the city, and distancing them from their source of work, most of them being fishermen living near the access to the sea.

#### Impact remediation and relationship reconstruction

In 2017, when Enel took over the management of the Sustainability Management of Endesa Chile, today Enel Generación Chile, a review of the "eradication" process was carried out with the purpose of transforming it into a resettlement process that could be audited and was in accordance with international existing standards. This retroactive resettlement process represented an unprecedented operation on a national level.

The project began with the realization that the "eradication" plan had a series of gaps to remedy, i.e., there was an unfinished process. One of the most profound gaps was that this plan had been implemented with dissimilar and partial agreements between users, both in the private and public-private agreements. Also, there was evidence of insufficient criteria of equity, transparency, human rights and internationally recognized standards for resettlement. 1,370 families were involved, most of them considered by the Ministry of Social Development to be in the social vulnerability category. The number of people involved makes it one of the largest resettlements carried out by the industry in Chile.

#### Coronel Artisanal fishing development fund

This fund is part of Enel's strategy that puts communities at the center of its work and, in this case, seeks to strengthen the local economic fabric. The program promotes the development of ideas and projects of people working in trades related to artisanal fishing, such as women seaweed gatherers, female fishmongers, people who smoke or dry fish, shellfish divers and artisanal fishermen.

This initiative is aimed at members of artisanal fishing unions with whom, at the end of 2019, Enel agreed on a line of work based on a competitive fund. This program will promote projects from \$550,000 Chilean pesos (CLP) to a maximum of \$2,500,000 CLP for infrastructure related to economic development, such as equipment and machinery. Priority was given to projects in the artisanal fishing sector, such as those aimed at converting the fishing enterprise to other economic activities.

1,312 partners have been awarded funds for their projects since the launch of the initiative in 2019: 583 in the 2020 version and 729 in the 2021 version.

More information on the remediation and just transition process in Coronel is available at the website www.enel.cl





### **Pullinque**

The Pullinque hydroelectric plant was built in 1958 as part of the country's Electrification Plan, carried out by the State of Chile and CORFO, and was acquired by Enel Green Power in 2001. Its social environment is characterized by the presence of nine rural Mapuche communities totaling approximately 350 families grouped in four territories: Tralcapulli, Llongahue, Curihue, and Tralahuapi.

#### **Commitment to communities**

From 2006 to 2016, the company and communities chose to work together on certain local development objectives, mainly focused on agricultural development, improving production for self-consumption. In some cases, the company moved from the family sphere to distribution at fairs and markets, thereby improving that household income generation capacity. Also, for almost 15 years, Enel has activated a scholarship program to encourage continuity in the education of students from the communities, financing more than 100 scholarships per year, distributed among high school, technical high school and university students, which allows students from these communities to continue their professional careers.

Local development plans also provide investment in areas such as agricultural development, land improvement and infrastructure. Thus, during 2021, 187 initiatives were financed, benefiting 330 families in the community.

Notwithstanding, some riverside families of the Huanehue River have brought to the company's attention their disappointment regarding the stretch of the river that has been without flow for decades. For this reason, Enel Chile has actively participated in working groups for the study and design of possible solutions to the problem.

In relation to the section of the river with no flow since the 1960s, it became evident that any solution to restore flow



to the Huanehue River must first include an evaluation of its technical, economic and, above all, environmental feasibility to avoid or mitigate the possible environmental impacts on the ecosystems that have existed in the area for more than sixty years now.

In this case, the Company listened to the community and immediately made the necessary investments and provided personnel availability to seek a possible and satisfactory solution that addressed the needs of the territory, combining the operational continuity of the plant, the needs of the communities and, above all, their acceptance of the work that can be carried out.

Continuous dialogue, transparency and timeliness of information between the parties are necessary tools to seek consensual, feasible and sustainable solutions over time, to which Enel gives effect in the more than 300 communities with which it works throughout Chile.









## Sustainable supply chain

103-1 | 103-2 | 103-3





### Primary material issue: Sustainable supply chain

#### How is it managed?

Enel Chile aims to be a strategic partner in the path to a just transition, promoting a virtuous relationship with its suppliers and contractors, based on values such as ethics, transparency, health and safety, environmental protection, anti-corruption measures and respect for human rights, with the goal of integrating them in the proposals for improvement based on innovative responses and more sustainable practices, in line with the Open Power vision.

Based on these objectives, management is based on three axes: inclusion of ESG sustainability criteria in the selection of suppliers (environment, health and safety, and human rights, among other aspects), promotion of a circular economy and supporting good practices in suppliers, improving the parameters of the industry in general.

#### Material issues

- Responsible management of purchases of goods, services and works.
- Respect for human rights in the supply chain.

#### Importance of good management

Efficiently managing its supply chain allows the Company to contract and execute services in due time and form and under Enel Chile's standards, while at the same time mitigating risks that could impact results and corporate reputation.

Regarding its contracts for the purchase of supplies, services or works, Enel Chile includes clauses that oblige suppliers to follow principles and policies mainly associated with human rights, labor standards, environmental protection and the fight against corruption, to prevent potential associated risks, such as bribery, incompatible negotiation and corruption among private parties.

Likewise, communicating the code of ethics and good practices to suppliers will improve standards in the provision of services and the delivery of products throughout the supply chain, minimizing criminal and reputational risks for the entire market, especially in environmental or social, human rights and labor issues. This, in turn, could lead to a shortage of suppliers with qualified labor in terms of quality and quantity, directly affecting the business.

Given these risks, Enel Chile reviews its mechanisms and applies incentives that promote the incorporation of new proposals that stimulate healthy competition, in line with the goal of moving towards a just energy transition by incorporating sustainability indicators in the bids.



### Sustainable Development Goal



### Principles of Human Rights Policy



### World Economic +Forum Risks



# **Goals and challenges**

SDG	Activity/goal	Goal Plan	Results	Goal Plan
		2021-2023	2021	2022-2024
12	% of suppliers qualified in human rights aspects.	100%	100%	100%
12	% of suppliers qualified in health and safety aspects.	100%	100%	100%
12	% of suppliers qualified in environmental aspects.	100%	100%	100%
12	Coverage of tenders with sustainability K factor.	80%	89%	92%

<b>Principles of Human Rights Policy</b>	
Rejection of forced or compulsory labor and child labor	Enel Chile requires suppliers to adopt best practices in human rights and labor conditions, they must adhere to the company's <a href="https://example.com/human.rights-poli-cy">Human Rights Poli-cy</a> and follow Enel's global guidelines.
Respect for diversity and non- discrimination	Enel Chile promotes the principles of diversity, inclusion and equal treat-ment and opportunities, and is committed to guaranteeing the right to working conditions that respect personal dignity. The Company does so by monitoring and evaluating compliance with the principles of its <a href="Human Rights Policy">Human Rights Policy</a> during the term of the contract with third parties.
Health, safety and welfare	Enel Chile requests suppliers to adopt best practices in occupational health and safety, incorporating sustainability criteria in supplier bidding and contracting processes and in supplier performance management.
Fair and favorable working conditions	Enel Chile requests suppliers to adopt best practices in human rights and labor conditions, monitoring and evaluating compliance with the principles of its <a href="Human Rights Policy">Human Rights Policy</a> during the term of the contract with third par-ties.
Environment	Enel Chile requests suppliers to adopt best practices in environmental responsibility, incorporating sustainability criteria in <b>supplier bidding and contracting</b> processes, in <b>supplier performance management</b> and in the promotion of a <b>circular economy</b> .
Respect for the rights of local communities	Enel Chile works with suppliers and contractors that respect human rights and contribute to the socio-economic development of the communities where they operate, through <b>joint work with small and medium-sized enterprises (SMEs) and local workers.</b>
Privacy	Enel Chile respects the confidentiality and the right to privacy of its stakeholders and is committed to the correct use of information and personal data of those who work in the organization and any other interested party. It monitors all third-party companies that may have access to the personal data of customers and employees; therefore, specific clauses are included in contracts with partners that use personal data.





### Sustainable procurement strategy

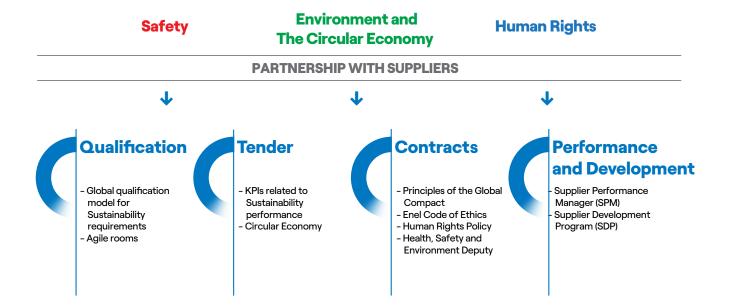
102-9

To maximize the creation of value for those involved in the supply chain, Enel Chile promotes a circular economy, and innovation and sustainability throughout the entire process, so that partners assume these objectives and values as their own.

Open Power is the vision that inspires Global Procurement to build a sustainable future, in line with the Sustainable Development Goals (SDGs). To this end, it is based on three pillars of action: social sustainability, circularity and innovation.

Durante 2021, un total de 1.760 empresas proveedoras estaban contratadas por Enel Chile y sus filiales, de las cuales 457 son de nivel 1, definido como aquello proveedores con contratos por sobre los 25.000 euros.

#### **Promoting sustainability in sourcing**



During 2021, Enel Chile and its subsidiaries contracted a total of 1,760 supplier companies, of which 457 are Tier 1, defined as those suppliers with contracts over €25,000.

Payments to suppliers for the provision of goods and services represented an amount of Ch\$ 2,917 billion in 2021. These payments correspond to domestic suppliers and imports (given the impossibility of finding the products in the country, such as fuels, gas and coal, solar panels, turbines, high voltage cables, among others).

#### **Payment to suppliers**

Billions of Chilean pesos	2018	2019	2020	2021
Enel Generación Chile	52 %	52 %	52 %	59%
Enel Distribución y Transmisión Chile	46 %	46 %	46 %	39%
Others*	2 %	2 %	2 %	2%
Total	1,921	1.923	1.935	2,917

<sup>\*</sup> Includes Enel individual, Enel X y EGP



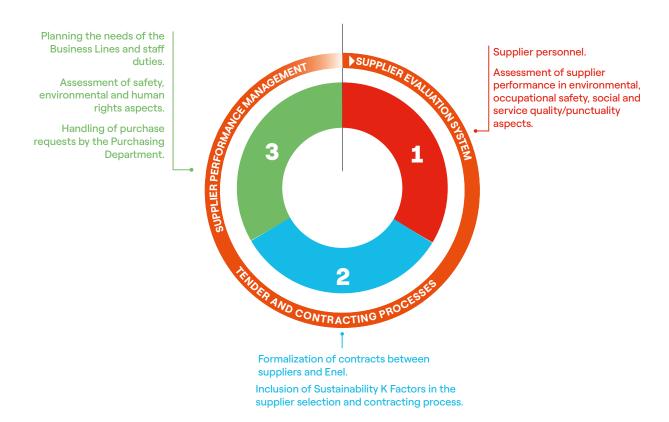


Additionally, Enel Chile and its subsidiaries hired a total of 620 contractors during 2021, which translates into 14,422 contractor workers linked to the Company.

### Responsible management process and sourcing evaluation

308-1 | 412-1 | 414-1

To ensure that its suppliers of materials and services are competent, Enel Chile addresses the purchasing process in its entirety, from an understanding of the needs of each business line to the management of supplier performance, to achieve an efficient supervision of the supply chain.



#### **Qualification of suppliers**

Since 2017, Enel Chile applies the "Global Rating Model for Sustainability Requirements", which identifies sustainability risk factors in the supply chain via mapping the risk level of the various groups or families of purchases. Based on this process, a framework is defined to assess supplier compliance with sustainability requirements (including construction contractors) for all vendors who wish to qualify for registration or to renew their qualification. This process includes several categories of control and quality standards, such as, for example, ISO 45001 and ISO 14001 certifications.

Therefore, as part of the qualification process, the supplier must undergo a specific and mandatory assessment of legal, technical, integrity, environmental, health and safety and human rights requirements. In the case of activities considered to be of high technical, safety or environmental risk, the process calls for an on-site assessment to verify these aspects.

Only with a positive overall evaluation, the supplier will be included or remain in the Register of Qualified Suppliers and will be considered for participation in bidding processes. If the potential vendor is not admitted, the supplier may submit a new request for qualification. During 2021 the supplier qualification activity, which then qualifies them to participate in bids, grew by 69% compared to 2020. At the





close of the period, 920 companies successfully qualified as potential suppliers.

Likewise, during the same period, Agile Rooms were implemented, these are meetings with a multifunctional

team whose purpose is to improve the system, optimizing the experience of suppliers and internal personnel who participate in the qualification process. In addition, three training sessions were held to clarify doubts and train vendors in the use of the qualification platform.

# Percentage of new suppliers qualified according to sustainability criteria

308-1 | 414-1

Evaluation area	2018	2019	2020	2021
Health and safety	100 %	100 %	100 %	100%
Environmental	100 %	100 %	100 %	100%
Human rights	100 %	100 %	100 %	100%





### **Bidding and supplier contracting**

To incorporate sustainability in the bidding processes, the Company defined KPIs that recognize the sustainability practices of suppliers. These were called K for Sustainability and involve social, environmental, health and safety, and circularity aspects.

# Execute initiatives with measurable social impact in

the areas of education, labor or economic growth, among others, that promote corporate volunteering, respect for human rights, among others.

Health and safety projects that allow measurable monitoring of the indicators as well as being innovative.



# Propose a mitigation of environmental impacts,

through initiatives that reduce waste, use renewable materials, among others.

# Incorporate an internationally certified management system

in aspects associated with sustainability, such as ISO 14001.

Propose circular economy initiatives, such as the adoption of the environmental product declaration as an instrument to measure and disclose the impacts throughout the life cycle of the service offered or product manufactured.

During this period, the Company launched and carried out a communication campaign aimed at buyers and the different business areas, regarding the use of the Sustainability K-Factors. Additionally, a process of rationalization of these factors was implemented, organizing the new Library of Sustainability K's around 16 Tender Requirements (TR) that seek to ensure the widespread application of these criteria in tenders. Mandatory requirements were also defined and established in a Library of Sustainability Requirements.

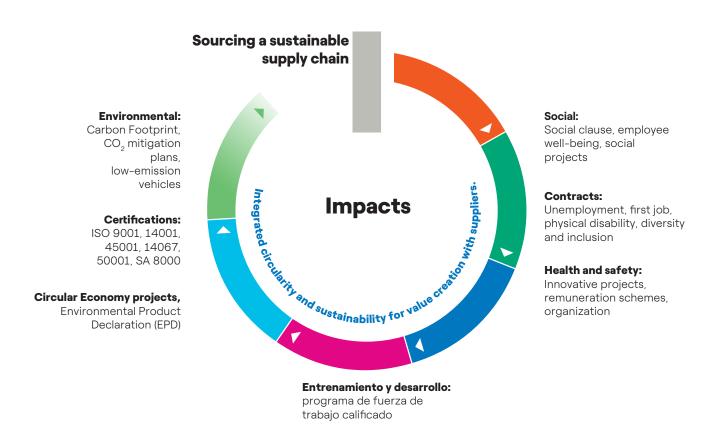
In 2021, Sustainability Ks were incorporated into: 101 purchasing processes. For a total amount of 259 million euros. Which is equivalent to 89% of the amount tendered in the period.

In 2021, the Sustainability K factor was incorporated into the bidding strategy for 101 procurement processes for a total amount of 259 million euros, equivalent to 89% of the amount tendered in the period<sup>8</sup>.

The contracts include specific clauses that are periodically updated so that the supplier can record its adherence to the Supplier Code of Conduct, as detailed in the documents required by the Company. In addition, the supplier is requested to adhere to and commit to the Health, Safety and Environmental (HSE TERMS) contract document, which contains collaboration tools that allow the supplier to identify areas for improvement in its HSE performance.



<sup>8.</sup> For tenders exceeding 200,000 euros, consultancies and direct awards are excluded.



#### **WeBuy Platform**

During 2021, new functions were added to WeBuy, the Enel Group's Procurement Platform, to make better use of the tool and ensure the traceability of the process. For this purpose, we added a follow-up stage to the online bids through a technical evaluation platform that enables a prioritization mechanism for the selection of the supplier to be awarded (Ranking Strategy), and a functionality that helps the business calculate the expected value or baseline of the bidding process.

This platform guarantees the transparency, accessibility and traceability of the purchasing process, it is a single point of access for all suppliers interested in offering their products or services to Enel.

# Awarding of bids to suppliers with Environmental Product Declaration – EPD

For the generation business, Global Procurement tendered the supply of wind turbines for the La Cabana and Rihue projects, in the Araucanía and Bio Bio Regions in Chile, each requiring a capacity of 225.6 MW. The process was awarded to the supplier Goldwind, given that the turbines offered (model GW155-4.5) complied with Enel's environmental requirements, as they were EPD certified. Likewise, in the distribution business, the EPD establishes minimum environmental requirements in the transformer bids, where supplies were awarded to Rhona-Toshiba and ITB, granting them six months from the award date to obtain their EPD.

#### **Procurement Plaza**

Enel Chile is constantly improving the tools that make the purchasing system more efficient and improving the quality of online information to become a data-driven company. To this end, in 2021 we added new dashboards to a common platform called Procurement Plaza, which seeks to bring together the different purchasing portfolios, fir an improved user experience and more efficient communication of best practices for each of them.





### **Supplier performance management**

The process implemented in the Company to evaluate the performance of suppliers and contractors is called Supplier Performance Management (SPM) and consists of measuring and monitoring six categories of indicators: quality, punctuality, safety, environment, human rights and correctness, and innovation and collaboration.

#### **Phases of Supplier Performance Management (SPM)**

- Data collection and standardization
- Calculating indicators and reports
- Managing the consequences

The process collects the evaluation data from the different business systems. Subsequently, the Supplier Performance Manager (SPM) calculates the categories on a periodic basis, and based on the results of this assessment, we can take consequence management actions, both to recognize suppliers with outstanding results, as well as to take actions to mitigate risks and improve supplier performance.

During 2021 and as part of the SPM process, Consequence Management Committees were held for 28 suppliers to evaluate their performance and compliance with requirements related to contractor management. As a result, one supplier was suspended, four suppliers had action plans set out for them, 10 suppliers were sent merit acknowledgement letters and 13 suppliers emerged without the need for any actions, as their performance was in line with expectations.

A second training webinar was held for suppliers, to let them know about the SPM process and consequence management. In addition, contract managers participated in two internal training sessions on SPM.

Suppliers analyzed in Chile by the Consequences Management Committee: 36% received a letter of commendation for merit, 46% received no action and 14% had to define an action, remediation or suspension plan.

Finally, during 2021, we evaluated 1,029 suppliers out of a total of 1,295 with active contracts, achieving a coverage of 79.5%.

### **Development of suppliers as strategic partners**

414-1

In 2021, the Supplier Development Program (SDP) was launched, with the following areas of action:

- Reconverting suppliers that could be affected the closure of the Bocamina plant.
- Establishing a Scouting Plan to identify new suppliers interested in building a commercial relation with Enel Chile.
- Identifying critical aspects for the growth of existing suppliers and implementing solutions to these problems.

Procurement Chile continues to work to increase the availability of qualified suppliers for all the different procurement groups, and to increase sustainable competition in its bidding processes.

The information gathered via interviews with suppliers, conducted within the framework of the Supplier Development

Program (SDP), has helped the Company focus on ensuring that they fully understand how Enel Chile's purchasing and qualification structure works, and that they become familiar with the qualification and performance evaluation process. This same channel is used to keep them informed of upcoming tenders to be launched to the market, so that they can start the qualification process in a timely manner, promoting the use of the Global Procurement website. In October 2021, a webinar was held to support the above deployment, which was attended by more than 500 participants among current and potential suppliers.

Procurement Chile is confident that this joint work with the business lines and suppliers will contribute to build an improved relationship and new communication channels, and that it will allow the sustainable development of new partnerships.



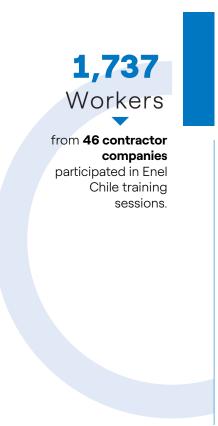






#### **Training**

Enel Chile seeks to strengthen its service providers by carrying out a complete training plan for workers of contractor companies. In this way we address different topics, such as technical aspects related to the service and developing behavioral skills, to improve the conditions of workers and the service provided.



#### **Topics covered**

- 4A customer service quality program
- 2. Electrical risks
- 3. Splicing operations
- 4. Ethical behavior
- 5. Stress management
- 6. Teamwork
- 7. Emotional well-being
- 8. Psycho-occupational risks
- 9. Occupational retraining
- 10. Risks at heights

# Program for the accreditation of labor competencies

The labor competency accreditation program for contractors seeks to provide continuous and permanent evaluation for the workers of Enel's contractors. This allows to standardize, accredit and develop best practices for the organization, in line with Enel's vision of creating shared value and commitment to the Goals of the United Nations 2030 agenda.

In the standardization stage, the aim is to define optimal performance patterns for each service profile that business units consider relevant in the management of their respective contracts. For the 2021 cycle, a total of 16 services and 57 profiles were considered in the standardization phase.

In the evaluation stage, three types of tests are generated: theoretical (knowledge test), technical (field observation

set) and behavioral (critical incident interview). In 2021, a total of 2,183 evaluations were generated and workers who managed to pass their three evaluations were recognized through a virtual ceremony, where they were given a diploma, a credential and a gift to celebrate their accredited status. Enel's team managers, representatives of contractor companies and accredited workers were invited to this activity.

In the third and final stage, workers who do not achieve accreditation must go through an action plan to close both technical and behavioral gaps and be reevaluated.

#### Work environment in contractor companies

Enel Chile designed and implemented a work climate and commitment program for contractors, aimed at achieving the best working conditions within these companies.

The program includes online measurements to assess the



organization's environment and workers' engagement for contractor companies that meet the statistical requirements to participate. With these results, the contractor companies commit to drafting action plans to manage both aspects evaluated. In 2021, seventy-three contractor companies were invited to participate in the program, totaling 6,627 workers, as follows:

Contractor work en-vironment program by line of business	Services invited	Contractors	Number of
	to participate		people invited
I&N	23	21	1.567
Market	9	5	532
Enel Chile	8	8	338
Enel Generación Chile	26	26	3.600
Enel X	7	7	179
Enel Transmisión	6	6	411
	79	73	6.627

Due to the pandemic, the labor climate and engagement program for contractors has been applied in online mode, and a total of 73 contractors and more than 6,600 workers from these companies were invited to participate.

#### Promoting a circular economy

In line with the objective of the Circular Procurement strategy, Enel Chile incorporates circular economy notions to serve as valuation tools and decision drivers in corporate purchasing processes. As part of their service offer, suppliers can implement initiatives that consider, for example, calculating the carbon footprint and carrying out mitigation actions, or using low-emission vehicles, among others.

# CIRCULAR PROCUREMENT STRATEGY

**Payment for works, goods and services,** with the objective of reducing environmental impacts and waste generation during the life cycle.















Offer phase: Reward suppliers for their commitment in the transition to a circular economy.



Definition of metrics and impacts:

EPD program: Quantify, assess and validate environmental impacts arising



Co-Innovation:

Circular by packaging design: Re-examine design, production process and packaging.

Lower impact

**Cost savings** 

Risk reduction

Local supply chain





Along the same lines, we implemented the "Circular Economy Initiative for Suppliers Engagement," to promote the commitment of suppliers via certifying the environmental impact of their products throughout their life cycle. This is done by means of a declaration through which manufacturers commit to report comparable data, objectives and verification of the environmental performance of their products and services, which allows the Company to calculate the impact of its purchases for each line of business, encouraging suppliers to carry out concrete actions in this area.

### **Suppliers and human rights**

#### 412-1

Following the Group's global guidelines, contractors, suppliers and business partners of Enel Chile must adhere to the company's Human Rights Policy, paying special attention to circumstances of high risk and conflict such as the hiring of child labor or the existence of forced labor among the workers of the company supplying goods and services. To comply with the above, we include a special questionnaire in the bidding process.

The Company monitors and evaluates compliance with the principles of its Human Rights Policy during the term of the contract with third parties. Within the framework of the Work Climate and Engagement program, Enel Chile evaluates aspects such as respect for sexual, ethnic and national diversity and for people with disabilities, in addition to considering the ethical dimension of the supplier's behavior. In 2021, we added issues related to the perception of labor and social security compliance to prevent a violation of labor rights of the workers of contractors.

### Support to small and medium-sized enterprises (SMEs) and local workers

#### 204-1

To encourage the participation of local suppliers and entrepreneurs in Enel Chile's bidding processes, new supplier qualification models have been created, such as the New Innovative Firms initiative.

In view of the positive assessment of startups, Enel Chile generated a special process for their selection, following various criteria defined by the Company, such as years of seniority, number of employees and absence of profit sharing. These are then evaluated considering minimum requirements and are offered a simplified way to start a collaboration.

In addition, Enel Chile generates incentives in tenders through its Sustainability K-Factors, so that companies that bid directly do so considering the hiring of local suppliers and labor to support them in their operation.

Of the contracts awarded by Global Procurement in Chile in 2021, 51% correspond to SMEs.



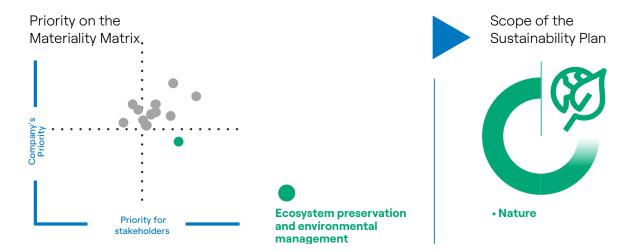






# **Environmental Sustainability**

103-1 | 103-2 | 103-3



# Primary material topic: Ecosystem preservation and environmental management

#### How is it managed?

Enel Chile is committed to the conservation of biodiversity, ecosystems and natural resources, adopting concrete measures that are implemented throughout the value chain.

To manage an adequate identification and evaluation of environmental impacts on the environment, the Company has defined an organizational structure with high standards and procedures so that its daily work on environmental issues includes the protection, reduction and mitigation of possible negative impacts. Thus, the Integrated Management System, already consolidated within Enel Chile's processes, allows for the adequate management of environmental variables by defining the company's representative environmental performance indicators for reportability, traceability and transparency, which are to be audited annually. In turn, Management Systems are in permanent improvement and integration with the different business lines, analyzing the life cycle of assets, services and products that the Company operates.

Enel Chile's Integrated Management Systems promote the dissemination and exchange of best practices and nature-based solutions, fostering continuous improvement and strengthening its commitment to the conservation of natural resources.

#### **Material issues**

- Waste management
- Water management
- Protection of biodiversity and natural capital
- Environmental governance
- Atmospheric emissions (excluding CO<sub>2</sub>)
- Energy use.
- Soil, subsoil and groundwaters

#### Importance of good management

The protection of nature and achieving harmony between environmental and economic actions and activities, allows for the development of projects with a true perspective of sustainability in the territory, reducing envi-ronmental impacts and social gaps while preserving the natural heritage and its ecosystems for both stakehold-ers and future generations, contributing to the operational continuity of the Company and the conservation of resources.



### Sustainable Development Goal









### Principles of Human Rights Policy



# World Economic +Forum Risks

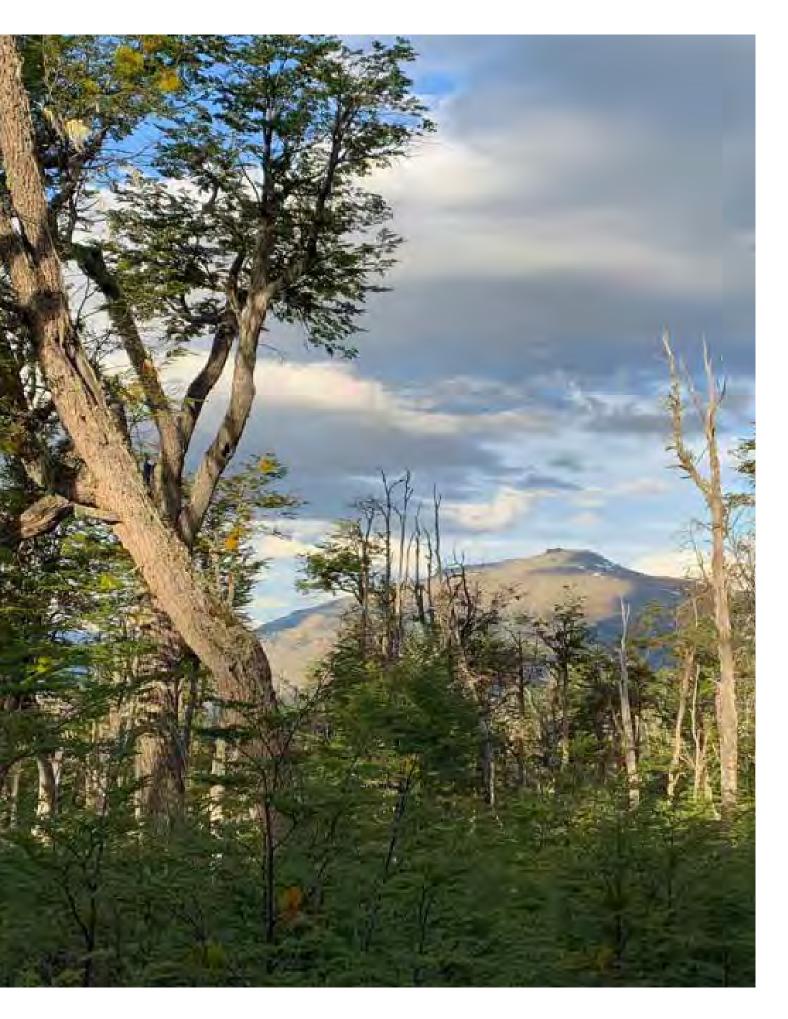


# **Goals and challenges**

SDG	Activity/goal	Goal Plan 2021-2023	Results 2021	Goal Plan 2022- 2024
12 13	Reduction of specific SO <sub>2</sub>	-90% in 2030 compared to	0.09 g/KWheq	-94% in 2030
12 13	emissions	base year 2017	(-44.8% vs 2017)	compared to base year 2017
	D   11   6   16   NO	70%: 0000	0.21 g/KWheq	-70% in 2030
12 13	Reduction of specific NO <sub>x</sub>	-70% in 2030 compared to base year 2017		compared to base year 2017
	emissions		(-41.1% vs 2017)	. ,
	Reduction of specific dust	-97% in 2030 compared to base	0.0045 g/KWheq	-98% in 2030
12 13	emissions	year 2017	(-29.0% vs 2017	compared to base year 2017
6 12		050/1 0000	0.25 L/K\Mbo.c	-65% in 2030
12	Reduction of total specific water	-65% in 2030 compared to	0.35 I/KWheq	compared to base year 2017
13	withdrawals	base year 2017	(0.8% vs 2017)	,
	Waste reduction	-65% in 2030 compared to base year 2017	101 the sure and a to a	-87% en 2030
12 13			121 thousands ton	compared to base year 2017

#### Material subject and principles of the Human Rights Policy

Respect for the environment	The protection of the environment and natural resources, as well as performing climate action and contributing to sustainable economic development are strategic factors in the planning, performance and development of Enel Chile's operations. For this reason, <a href="Environmental governance">Environmental governance</a> issues guidelines, and actions are implemented for the efficient use of <a href="Environmental governance">energy</a> and <a href="waste">waste</a> management and a constant commitment to <a href="biodiversity">biodiversity</a> .
Respect for local communities	Enel Chile is committed to considering its environmental footprint, through appropriate environmental and social impact assessments, as well as taking into account respect for human rights in the areas where the projects will be developed, in the design and construction of infra-structure projects, through reuse initiatives and reduction of final waste disposal.





#### **Towards a nature-based model**

The protection of natural capital and the fight against climate change are the basis of business strategy and of the values by which a company's sustainability is measured. Preserving ecosystems and species means respecting life, the planet's natural heritage and the places and symbols of communities. An additional commitment is the need to address the increasing loss of biodiversity.

Enel Chile addresses these aspects as strategic and integrated factors in the planning, operation and development of its activities to promote sustainable economic development in the communities where it operates. Being an energy company, Enel Chile's operations depend on natural resources and have an impact on them. Therefore, the Company is concerned with integrating the assessment of risks and opportunities in its decision-making processes and governance, with specific objectives and goals that are in line with its environmental management systems and its commitment to safeguarding the Company's environmental assets. The reduction of pollution (air, water and soil pollution, as well as circular waste management) and the decarbonization of the energy mix are therefore key elements of Enel's Strategic Plan, as are the reduction of impacts on nature, the restoration of habitats and the distribution of the benefits of ecosystem services in the communities with which it interacts.

# Identification of dependencies and pressures on biodiversity

The identification of potential impacts on biodiversity and nature is fundamental to define the most effective strategies to avoid, minimize, remediate or compensate the associated effects that these impacts might cause, in accordance with the Mitigation Hierarchy. Similarly, identifying biodiversity and natural capital dependencies also paths the way to recognize the most appropriate strategies to reduce the risks that the Company is facing from these dependencies.

The main dependencies are associated with ecosystem services and the use of resources and raw materials necessary for the construction and operation of infrastructure:

- Maintenance of the water cycle, which allows the operation of hydroelectric power plants.
- Regulation of the climate and climatic phenomena on which the operation of all assets depends.
- Soil stabilization and erosion control, important for hydroelectric basins, and transmission and distribution infrastructures.
- Protection against floods and extreme environmental events, which are a major cause of failure and unavailability of distribution facilities.
- Use of water in production cycles, mainly in thermoelectric production.
- Use of raw materials (mineral and non-mineral) for the construction and operation of a generating plant.

Enel's decarbonization strategy, focused on the growth of renewables and especially wind and solar energy, allows us to reduce most of our dependence on raw materials. Moreover, by reducing the risk of climate change, it contributes to ensuring the continued availability of ecosystem services.

On the other hand, the main pressures on nature are summarized in the following categories: Use and modification of ecosystems (terrestrial, freshwater, marine); Use of resources (mainly water extraction); Climate change; Pollution; Disturbance and introduction of invasive species. These categories are inspired by those identified by the Scientific Targets for Nature (SBTN) and are the starting point to analyze the actions put in place to mitigate the associated risks.

In this context, Enel deploys its environmental resources and efforts to safeguard the ecosystems in which it operates, broadening and deepening its knowledge of the territory and adapting responsibly and consciously to the needs of the environment.





### **Environmental governance**

Enel Chile ensures constant control and monitoring of activities with environmental relevance, which are managed through a common structure, dictated by Enel Group, which provides guidelines for all business lines in this area, ensuring management by qualified personnel and the implementation of a global environmental information reporting system through the EDEN (Enel Data on Environment) platform to facilitate monitoring and the development of environmental improvement plans.

### **Environmental Management Strategy**

The environmental management strategy calls for Enel Chile to manage any possible impact on processes and protect all environmental components involved in the territory (people, water, soil, air and biodiversity, among others), ensuring

compliance with applicable regulations and making rational use of available natural resources. The four areas of work are summarized below:

#### **Process analysis and Politics Operational control Training and culture** digitization Monitoring of management Enel Group Environmental Conducting environmental • Employee training plan: Policy. audits and inspections. and KPI results of: Circular Economy School. Biodiversity Policy, Stop Assessments and Extra **Atmospheric emissions** Program Education 4 All. Work Policy and Integrated Checks on Site (ECOs) Reduction of atmospheric Management System (IMS). to control environmental emissions Promoting contractors' risk and minimize impacts awareness of the Integrated derived from activities. Water management Management System. Environmental risk Efficient wastewater management is based on treatment. Environmental Reduce water the evaluation of operational communication campaigns in aspects (noise, waste, requirements. hydroelectric power plants. hazardous substances, Managing water scarcity Training plan: leveling contractor management, environmental knowledge. detection of archaeological Waste management: finds, etc.). Reduction of hazardous and non-hazardous waste. · Circular Design Workshop for Governance aspects Recovering waste for business developers on the (framework of Company circular economy model. reuse. guidelines, policies, environmental procedures, **Biodiversity:** Environmental Commemorative days relationship with Conservation of local stakeholders, internal and natural heritage. campaign. external reporting). Mitigation of the impacts of ecosystem services. Compliance (compliance Mitigation of impacts on with regulations, biodiversity of proposed voluntary agreements operations. and management system Sustainable management objectives). of living natural resources. Management of other impacts of operations.







# **Enel Chile's Environmental Policy**

### This Policy is based on the following four principles (\*):

Protecting the environment by preventing impacts.

Improving and promoting the environmental sustainability of products and services.

Create shared value between the company and its stakeholders.

Adopt and comply with voluntary commitments, promoting ambitious practices in environmental management across the value chain.

It also contemplates ten strategic objectives for the operation, among which "going beyond legal obligations" is particularly relevant. Enel Chile is committed to voluntary actions and behaviors for the protection of the environment, even if they are not provided for in local regulations, for example, making agreements with communities and institutions to preserve water or biodiversity.

(\*)Enel Chile's Environmental Policy extends to the entire value chain and applies to: all production phases of each product and service, including the distribution and logistics phases, in addition to related waste management; to each site and building; to all relationships with external stakeholders; all mergers and acquisitions; each key business partner (including partners related to non-management operations, joint ventures, subcontracting or external producers); all suppliers including service providers and contractors; and all due diligence processes.

https://www.enel.cl/content/dam/enel-cl/sostenibilidad/medio-ambiente/politicas-medioambientales/Polit MedioAmbiental-EnelChile.pdf







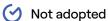
### **Integrated Management System**

102-11

Enel Chile applies an Integrated Management System (IMS) approach, this tool allows the Company to organize, document and optimize its procedures, activities and operations, improving both the organizational business systems and the performance of all its subsidiaries, measuring performance indicators in health, occupational safety, quality and environment. The ISO Standards that Enel Chile has integrated in its IMS are

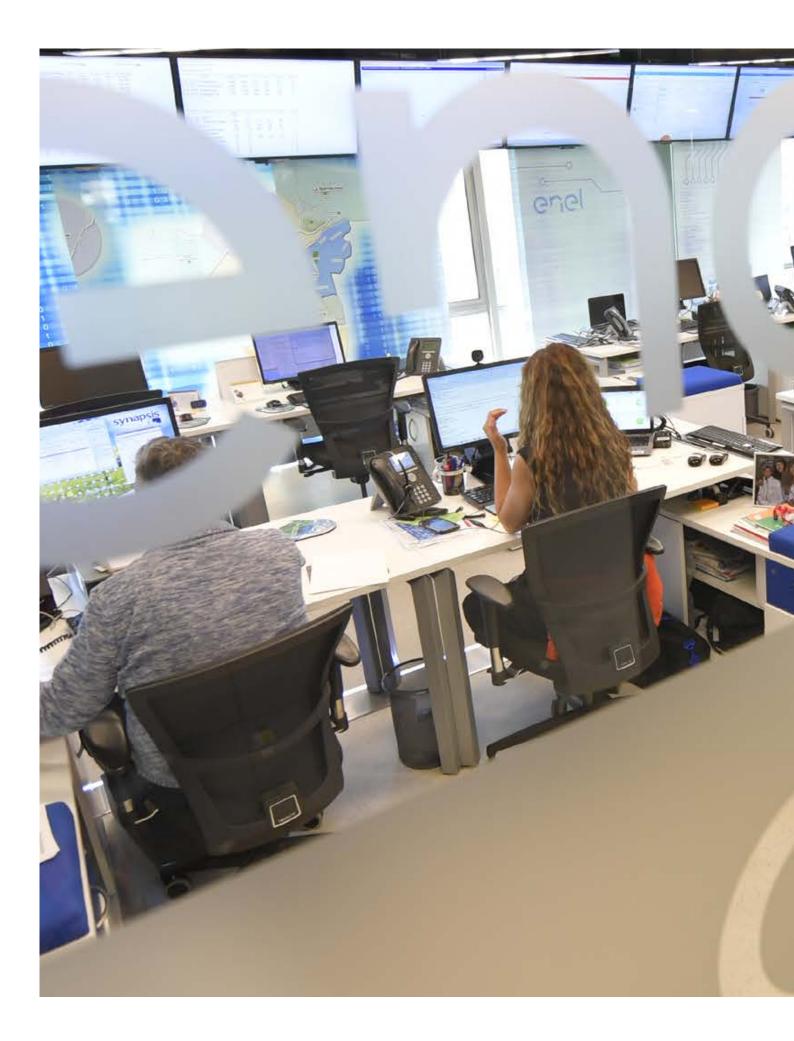
Management System	Enel Distribucion Chile	Enel Transmisión Chile	Enel Generación Chile	Enel Green Power	Enel X Chile
ISO 9001 Quality	9	9	9	9	$\odot$
ISO 14001 Environment	$\odot$	$\odot$	9	9	$\odot$
ISO 22301 Business continuity	9	9	$\odot$	$\odot$	9
ISO 37001 Anti-bribery	9	9	9	9	$\odot$
ISO 45001 Health and safety	9	9	9	9	9
ISO 50001 Energy management	9	9	9	9	9





During 2021 Enel Chile conducted 12 internal environmental audits or Extra Checking on Sites (Environmental ECOs). In these opportunities, priority was given to the management of permits in all plants, developing matrices of applicable authorizations for each facility and implementing management plans for these, where metrics were incorporated for monitoring and control, to improve traceability and minimize the risk of delays in possible audits.









### **Emissions**

#### 305-1 | 305-2 | 305-3 | 305-4 | 305-5

The reduction of environmental impacts associated with the operation of plants is a strategic objective for Enel Chile. In this area, the Company applies the best international technologies and practices for the reduction and neutralization of its emissions, identified as CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>V</sub>, SF<sub>6</sub> and PM (Particulate Matter).

### **Greenhouse gas emissions (GHG)**

The main greenhouse gas (GHG) emissions from Enel Chile's industrial activities are attributable to thermoelectric generation from fossil fuels, considering also insignificant emissions, such as sulfur hexafluoride (SF<sub>6</sub>) leaks in the distribution network.

For Enel Chile, its GHG performance indicator corresponds to the ratio between the scope 1 emissions generated according to the GHG Protocol and the net generation produced by the Company. Thus, the management indicator is defined as CO<sub>2</sub> emissions intensity, which in 2021 reached **273 gCO<sub>2</sub>/kWh**, increasing punctually with respect to 2020 due to the extreme conditions of prolonged drought affecting the country, in addition to the delay in the entry into operation of renewable projects due to the pandemic, which forced The Company to increase generation based on fossil fuels, mainly gas and coal, to meet the demand for electricity in the country.

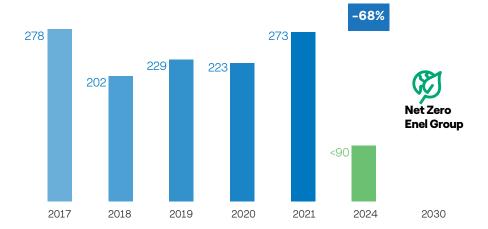
Enel Chile's objective is to become the first company in the country to have removed all its coal-fired power plants from the National Electric System by 2022, ahead of its commitment (18 years earlier) with the Ministry of Energy, which established a deadline of 2040 for the closure of all coal-fired power plants. With the actions taken by Enel Chile, approximately three million tons of CO<sub>2</sub> per year will no longer be emitted into the atmosphere, which could be equivalent to the emission of one million cars per year.

For 2022 and subsequent years, reductions in emissions intensity are anticipated resulting from the closure of Enel Chile's last coal plant, Bocamina II, during 2022, as well as the increase in generation from the new plants that have come into operation since the end of 2021.

For further information on greenhouse gas emissions, see the Net Zero Ambition chapter.

### SPECIFIC SCOPE 1 EMISSIONS

(gCO<sub>2</sub> eq/kWh)





# SO<sub>2</sub>, NO<sub>x</sub> and Particulate Matter

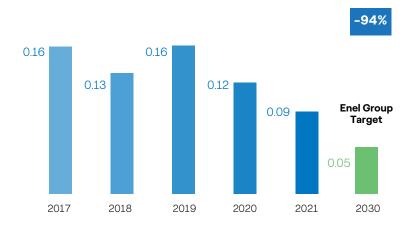
305-7

Over the years, Enel Chile has carried out technological optimizations and practices that meet international standards with the objective of improving the environmental performance of thermoelectric plants (specifically regarding emissions), always considering the local context, its regulatory framework and operational aspects of each technology. All these considerations require the Company to take care of environmental monitoring and performance through a continuous measurement tool that facilitates traceability and transparency before public and accreditation agencies, paying special attention to emissions of atmospheric pollutants associated with thermoelectric production: sulfur oxides (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM).

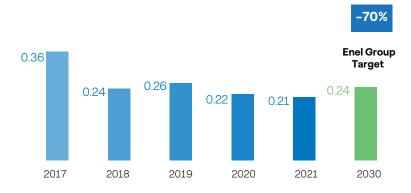
With the addition of **3.3 GW** of renewable capacity over the next three years, emission intensities are expected to be reduced and to make an active contributing to Enel Group's  $SO_2$ ,  $NO_x$  and PM reduction targets to 2030, as compared to 2017.

The behavior of these emissions during 2021 consists of an average reduction in the order of 38.3% in relation to the 2017 baseline. In the case of  $\mathrm{SO}_2$  there is a 26% reduction compared to the previous year and a 4% reduction in the case of  $\mathrm{NO}_{\mathrm{x}}$ . Regarding particulate matter, there is an increase in the order of 14% in relation to 2020 detected in the respective monitoring points, which is mainly due to the logistic operations (transport of water, fuels and other materials) of the thermoelectric plants, but these types of emissions have seen a noticeable 29% reduction since 2017.

# SPECIFIC SO<sub>2</sub> EMISSIONS (g/kWh)



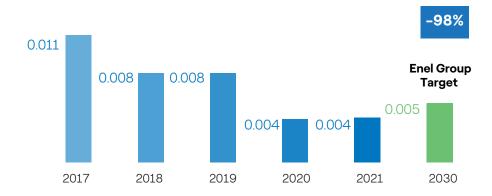
# **SPECIFIC NO<sub>X</sub> EMISSIONS** (g/kWh)







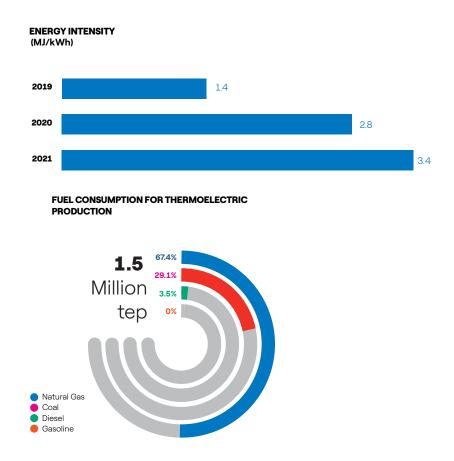
# **SPECIFIC PARTICULATE MATERIAL EMISSIONS** (g/kWh)



# **Energy consumption**

302-1 | 302-3

The efficient use of energy throughout its value chain and business lines is a determining factor to improve Enel Chile's performance. With this objective, the Company makes investments to increase the efficiency of its activities.

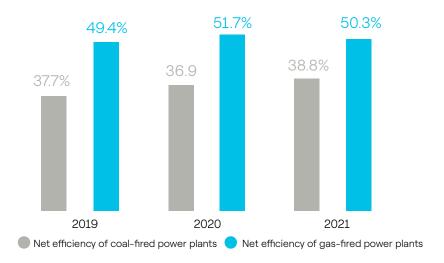


For thermal power plants, there is an 18.68% increase in fuel consumption compared to 2020, broken down into 29% coal and 67% natural gas.



One way of evidencing the performance of the Company's thermal power plants is through the **operational efficiency indicator**. This tool measures the relationship between net energy produced and energy consumed in the form of fuel. For Enel Chile, the average efficiency of the thermal power plants in 2021 was 50.3%. The following graph shows the operational efficiency by fuel type for the last 3 years:

# ENERGY EFFICIENCY OF THERMALELECTRIC POWER PLANTS



### Water resources

303-1 | 303-3

Currently, the water scarcity scenario that the country is facing is critical. According to Fundación Chile's study Water Scenarios 2030 (WRI, 2015), Chile will be the only Latin American country with an extremely high hydric stress by 2040.

Due to the above, Enel Chile reaffirms its commitment, through its Environmental Policy, to the efficient use of water and the optimization of water management in hydroelectric power plants, improving available technologies and complementing them with the generation of renewable energy provided by wind, solar and geothermal power plants.

From a technical point of view, the efforts in the generation plants that use water resources are focused on developing several projects with a focus on:

- Reduction of water consumption over time while guaranteeing the operation of the facilities.
- Collaboration in the development of public-private water management strategies in the basins where the Company operates.
- · Revaluation of the water used in the different processes.

Enel Chile's water management considers the following analyses, with the objective of guaranteeing a more efficient administration of the resource in all the territories where it operates, and mainly in areas with water stress:

- Mapping production sites in water stress zones: identified according to the criteria recommended by GRI 303 (2018) referenced to the World Resources Institute 'Aqueduct Water Risk Atlas".
- Identification of "critical" production sites, sites located in water-stressed zones and that require fresh water for process needs.
- Ongoing verification of water management methods used in plants, to minimize consumption and maximize withdrawals from lower value sources.

In 2021, **30%** of the Company's net energy production came from thermal plants located in water-stressed areas. Withdrawals in these zones reached 5.97 million m3, which is **46%** of the total.



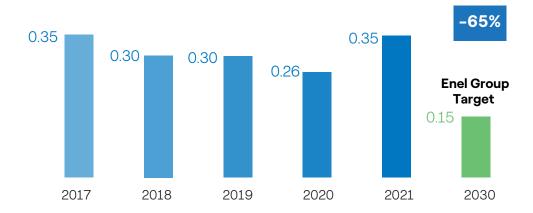


The increase in specific consumption is mostly due to the increase in thermal generation, mainly the production of the San Isidro power plant. The average specific water withdrawal in the last 3 years has been 0.30 liters/kWh, but in 2021 that figure increased to 0.35 liters/kWh, 34% more than the previous year, but without exceeding the consumption made in 2017. It bears noticing that the production of energy from fossil fuel during the last decade was driven by the mega

drought conditions affecting the central area of the country. The increase in thermal generation is also due to a slower incorporation of renewables, caused by the pandemic years that have conditioned the execution of works.

Consequently, there was a higher consumption of water for thermal technology processes.

# SPECIFIC WATER WITHDRAWAL (I/kWh)



# Efficient use of water in the Company's operations

### **Photovoltaic plants**

Enel Chile emphasizes opportunities for improvement in its operations. To this end, it has developed a series of actions that have allowed it to significantly reduce the use of water in the cleaning of photovoltaic panels.

With this objective, computer analysis models were implemented to optimize the frequency with which the panels are cleaned, considering variables such as dust/soil deposition on the panels, washing efficiency, marginal cost (washing opportunity), among other variables modeled.

On the other hand, the resting position of the panels was modified, finally determining that a positioning at 45° allowed

to improve the capture of atmospheric humidity, generated a "self-cleaning" effect and reduced by an average of 70% the frequency of solar panel cleaning required.

This initiative considered as a baseline the cleaning of panels between 4 to 6 times a year, reducing its frequency to 1 to 2 times a year after the inclination of the panels. In terms of water volume and costs associated with cleaning, they were reduced by between 60 to 80% in areas with higher atmospheric humidity, while in areas with lower humidity the reduction achieved was between 40 to 60%.



### **Wave Project**

The San Isidro Thermoelectric Power Plant, located in a water-stressed zone in Chile, requires the use of water for the plant's cooling process. However, due to the high level of sulfates that the local water has (water hardness), it could not be reused more than twice in the cooling process before having to be discharged. Additionally, it had to be mixed with more fresh water to dilute the sulfates and thus, comply with current environmental regulations for discharge.

The Wave project sought to reduce water consumption in the basin by optimizing internal consumption, contributing to a more rational and efficient use of water in the context of drought in the country and the region. For this purpose, Enel Chile made an alliance with a mining company which, due to its nature, does not need high-quality water for its industrial processes, giving rise to the implementation of a circular strategy in the plant's water management.

Thanks to this action, water from the cooling process is reused four times before being delivered to the mining industry, contributing to the reuse of water by 94% at a national level compared to the previous year, and reducing by 60% the specific water requirement for the total generation process. Also, the implementation of this initiative fosters awareness and care of the water situation in the region.



## **Enel Distribución More Green Water project**

Water management through *More green water*. This initiative was implemented after an environmental innovation contest with contractors in 2019. It called for ideas to recover the gray water from civil works in the power substations, to be reused in the irrigation of green areas and to humidify areas to avoid the generation of suspended dust.

During 2020, the initiative was implemented at the Chacabuco substation, with the reuse of 12,000 liters of water. During 2021, when incorporated as part of the sustainable site solutions at the El Salto, Lo Boza, Chacabuco, Chicureo, La Cisterna and Florida substations, a total of 146 m³ of water was recovered and used to irrigate 86 trees.



# **Washing solution at Central Canela**

The Canela power plant is located very close to the coast, in a highly saline environment which tends to create deposits and deteriorate the insulation on the substation elements. To remedy this deterioration, frequent washings are necessary to restore their insula-tion level. Considering the drought context, an alternative solution to this process has been

implemented by pro-tecting the surface of the insulating elements via the application of a sili-cone-based product, which has made it possible to maintain adequate insula-tion levels for a longer period and therefore, reduce the frequency of washing required by up to 10 times, minimizing the use of water.





### **Waste management**

306-1 | 306-2

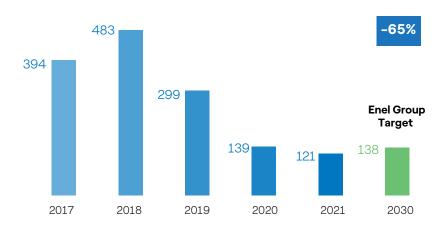
In 2021, waste management in Enel Chile had two main focuses: The first, with an internal emphasis, enhancing the circularity of products and services that are part of the business. The second, external, was centered on the relationship with contractors, extending good practices in the treatment and management of waste and substances resulting from field work.

Actions revolve around instilling the importance of circularity both to internal and external collaborators. To this end, since 2020, the Company began to incorporate sustainability indicators in the bids for some contracts, mainly related to the proper management of waste, and the reuse and

recycling of excess material in the works, which has had an impact on better performance and has been reinforced during 2021.

With respect to the Company's total waste generation, 2021 saw a decrease of 13% with respect to 2020, improving environmental performance in reducing waste generation, maintaining the recycling of non-hazardous waste at 71%. On the other hand, a noteworthy reduction of 60% in relation to the amount of waste generated in 2019 demonstrates a real commitment throughout the Company value chain and how business units are facing their responsibility in managing the impacts they generate.

# WASTE GENERATED (thousand t)



During 2021, Enel Chile worked on the **"Zero Waste"** management program, which aims to reduce waste generation and increase waste recovery to minimize the amount of waste discarded for final disposal.

This program includes quantitative waste recovery goals for Chile. For 2021, the goal was set at 17% of the waste generated in Enel Generación's plants. By 2021, total waste recovery increased by 13.19% compared to 2020. In addition, the following activities are part of this program.



- <u>Training:</u> In 2021, workshops were held to transfer the criteria and standards of Operating Procedure 1805 on Enel Chile's Solid Waste Management to the entire environmental perimeter. This totaled more than 690 hours of training, with the participation of 307 Company employees and 134 participants from contractors, dedicating 379 and 317 hours respectively to this initiative.
- Recycling Day: In May 2021, an awareness day was held in all Power Generation Chile plants, with the purpose of transmitting concepts, objectives and the importance of good waste management to reduce waste generation and increase recovery.
- **Separation at source:** The infrastructure for the separation at source of the waste generated at the plants was inventoried between February and October 2021. By 2022, purchases will be made to complete the elements required to separate different waste materials at the plants.
- Waste managers: A database of waste managers was prepared, in addition to third-party facilities that transport and recover waste in the geographical areas of the plants. The information was obtained from the information provided by all the environmental specialists of Enel Chile and the Ministry of the Environment. As a result, all plants in operation and under construction in each region have a single list of all the organizations authorized to recover the different waste fractions, facilitating their management.
- Clauses in technical specifications: Clauses were developed to encourage contractors to minimize their waste production and maximize their recovery rates. These clauses will be included in the Environmental Annex of the Technical Specifications of the works that could generate significant amounts of waste. This will be completed in 2022.





#### **Valorization of metal waste trimmings**

During 2021, Enel X Chile again implemented the methodology of on-site segregation, quantification and traceability of metal waste, which aims to collect and recycle 100% of the metal scraps resulting from network transfer

work. This allowed us to recycle 4.69 tons of metal from net relocation work. In turn, this translates into 59 tons of  ${\rm CO_2}$  not being emitted into the atmosphere.

#### Initiatives for reuse and reduction of final waste disposal

Efforts aimed at reusing waste in 2021 are reflected in the waste recovery indicator, which identifies the percentage of waste recovered with respect to total generation in Enel's operations. To date, Enel Distribución has a recovery value of 38%. The accumulated value for the year 2021 corresponds to 42%.

For 2021, the goal was to achieve a recovery of 45% of the total waste generated. To achieve this goal, the following projects were implemented and monitored:

- Reverse logistics model, recovery of electrical components and materials removed from the distribution network. This initiative seeks to implement the reverse logistics process in significant environmental impact activities, which allows and facilitates the recovery, traceability and habilitation of a circular economy model, either by recovery and / or reuse of waste materials that are removed from the network.
- Management of organic plant matter. This initiative aims to sustainably manage 100% of the organic matter from tree pruning activities that are necessary for the maintenance of the distribution network. The trimmings are derived to sustainable waste managers that convert them into biomass, compost or biofilters for wastewater treatment, which, only in 2021, avoided the emission of at least 1,200 tons of CO<sub>2</sub>eq into the atmosphere.
- Looking for an alternative based on circular economy models that generate value for the community, savings from not incurring in final disposal of these waste products and a contribution to the reduction of the Company's carbon footprint, Enel Chile and CORFO (Chile's economic development agency) launched the Ecolmpacta challenge in 2021, which called for solutions for a more sustainable management of this waste. Work is currently underway to implement the pilot of the winning idea by 2022.

#### New life cycles for concrete poles

Annually, Enel Chile disposes an average of more than four thousand concrete poles in authorized dumps. To avoid this disposal, a project aiming to give a second life to the concrete of the poles began its early stages of implementation in 2021. Only a year before, this project had been awarded first place in the circular economy category of Enel Chile's global competition *Innovability Challenge*.

DICTUC (Dirección de Investigaciones Científicas y Tecnológicas de la Pontificia Universidad Católica de Chile) performed material analysis on the concrete coming from discarded poles, and it was determined that it is possible to build new poles from recycled materials. The economic evaluation of the project and the construction of the first poles containing recycled materials are currently underway.

These poles will be subjected to mechanical tests, which will also be certified by DICTUC.

- When implemented, this project is expected to achieve:
- Reduction of costs for final disposal.
- Reduction of costs associated with the purchase of aggregates for the manufacture of poles and stabilizers.
- A 61% contribution to the waste recovery indicator.

By reincorporating concrete in new processes after its useful life, this project contributes to the Circular Economy pillar *New Life Cycles,* Innovation *Operational Efficiency,* and also contributes to SDG 12: Responsible Production and Consumption and SDG 13: Climate Action.





# Sustainable construction sites in the distribution network

During 2021, Sustainable Construction Sites were implemented in the existing works at the substations, looking to implement solutions focused on reducing greenhouse gases and promoting noise reduction, waste reuse and responsible water use. This model has been implemented in 10 substations that have incorporated one or more of the following initiatives: filters for the reuse of shower water, reuse of wood for the construction of rest stations, replacement of lighting features to opt for high-efficiency alternatives, and recycling discarded bottles and wood trimmings. As a result, some the year's figures are: 46 tons of CO<sub>2</sub> equivalent were not emitted into the atmosphere, energy savings of 59 MW/H, 141 m³ of recycled and reused water, used to irrigate 146 trees and a 60m² green area; 47 kg of plastic and 29 tons of wood were recycled.

Sustainable construction sites also promote eco-bottles, which is a plastic recycling model that calls for discarded plastic bottles to be filled with also discarded flexible plastics, achieving an approximate weight of 400 to 500 gr. Subsequently, these eco-bottles are delivered to the REVALORA foundation, which uses them to build furniture. Currently, the initiative to build rest areas has been implemented in the civil works of 5 substations (Cerro Navia, El Salto, Lo Boza, Chacabuco and Florida).

- 16 tons of wood have been reused through the discarded wood-into resting stations initiative.
- A satisfaction measurement revealed that 80% of employees value recycling initiatives and consider them to have a positive impact on the work environment.
- The eco-bottle initiative has been implemented at the El Salto and Chacabuco substations. Thanks to this, 56 kg. of flexible plastic generated by the workers themselves have been recovered.

#### Landfill recovery and ash valorization

Three years ago, the Company started the closure process of the ash landfill at the Bocamina thermal power plant; Currently, almost all the ash is being reused in different production processes (e.g., cement plants) and only a smaller fraction is destined for the landfill. In accordance with the Closure Plan, the revegetation program of the ash landfill has been executed in two of its three sectors. The reconversion of this area from its former industrial use to a green space, is an example of environmental valorization.

To promote circular economy models through the recovery of ash for industrial use, and at the same time reduce its final disposal in landfills, in 2021 the Company developed another project in the Bocamina power plant, which converts this waste material into an industrial input for the manufacture of cement products. The percentage of ash recovered exceeds 70% of the ash generated in the operation of the power plant.

#### **Biodiversity management**

304-1 | 304-2 | 304-3 | 304-4

#### **Enel's commitment to biodiversity**

Biodiversity protection is one of the strategic objectives of our environmental policy, and it is governed by a specific policy adopted by Enel Chile, which reflects the Group's guidelines and the principles with which it operates.

The highest international standards and principles described in the United Nations (UN) Convention on Biological Diversity (CBD), the UN Strategic Plan for Biodiversity 2011–2020 and CBD's Aichi Biodiversity Targets are reflected in the Company's Biodiversity Policy, which seeks to respect the mitigation hierarchy principle. Firstly, this plan calls for the

prevention of negative impacts on biodiversity and, if this is not possible, to mitigate and remediate their effects. On the other hand, residual negative impacts must be offset by implementing measures that respect the principle of no net loss of biodiversity and, where applicable, a positive net balance.

For each new facility, prior impact studies that consider a systematic evaluation of its possible effects on ecosystems are carried out, looking to avoid operations in areas with high biodiversity value, and adopting the best possible solutions to mitigate possible impacts on biodiversity in all territories.





## **Biodiversity policy**

With the Biodiversity Policy, Enel Chile aims to comply with the United Nations Convention on Biological Diversity, the Strategic Plan for Biodiversity 2011–2020 and the Aichi Biodiversity Targets, as well as the national biodiversity strategies of the different countries in which the Group operates.

#### Specically, Enel Chile:

1

Manages activities in accordance with the principle of *mitigation hierarchy*, whereby priority is given firstly to preventing or avoiding negative impacts; secondly, if impacts cannot be avoided, to reducing and remediating their effects; and lastly, to compensating for residual negative impacts.

2

In case of residual impacts, implements compensatory measures that respect the principle of *no net loss* of biodiversity and, where applicable, with a positive net balance.

3

For each new facility, evaluates impact studies, including a systematic assessment of the effects on ecosystems, their biotopes, fauna and vegetation species, to avoid operations in areas with high conservation value in terms of biodiversity, and adopts the best possible solutions to reduce pressures and impacts on biodiversity everywhere.



Works with local communities, academic institutions and NGOs to value biodiversity and develop studies and projects for its conservation and ecosystem restoration.

5

Monitors the effectiveness of the actions it undertakes.

6

Regularly reports on its biodiversity performance.

#### **Protection of the Natural Capital**

Biodiversity protection is one of our company's strategic objectives and is regulated by its specific policy adopted by the entire Enel Group as of 2015.

This commitment is aligned, with the objectives identified in the European Union's Biodiversity Strategy 2030, starting to operate with these principles from 2025.

With reference to direct actions, and linked to the No Net Loss objective, Enel has decided to assume a greater commitment to the conservation of forests in accordance with the "No Net Deforestation" principle, recognizing the importance in terms of biodiversity richness and the role they play in terms of carbon capture and storage in the long term.

Finally, regarding the safeguarding of protected areas, Enel will not build new infrastructure in UNESCO World Heritage Sites. For more information, see page 214 of the <a href="Enel SpA Sustainability Report 2021">Enel SpA Sustainability Report 2021</a>.

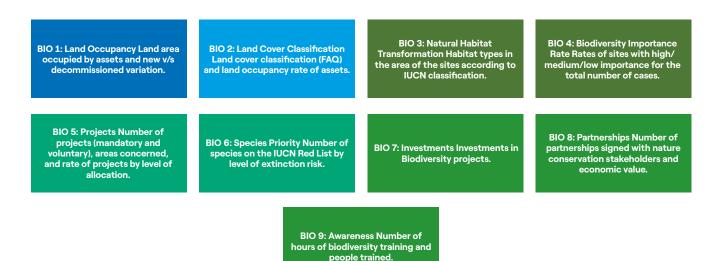




#### **Biodiversity Projects**

		Pro	ojects		Type of project					
País	Number of projects	Mandatory	Voluntary	of which voluntary	Monitoring	Conservation (species)	Restoration (habitats)	Research and other purposes		
Chile	21	10	11	52%	11	3	4	3		
Total	21	10	11	52%	11	3	4	3		

To evaluate the Company's environmental performance with respect to biodiversity management, during 2021, Enel Chile began to design and agree on the technical criteria for the development of the following indicators to determine performance and set goals according to the behavior of these indicators. The stability of the indicator is fundamental to show the evolution of the monitored variables. Therefore, the following nine indicators have been considered in this first stage, which are being implemented progressively, By 2022, the company will have a solid database which would allow for a better performance evaluation and biodiversity management:



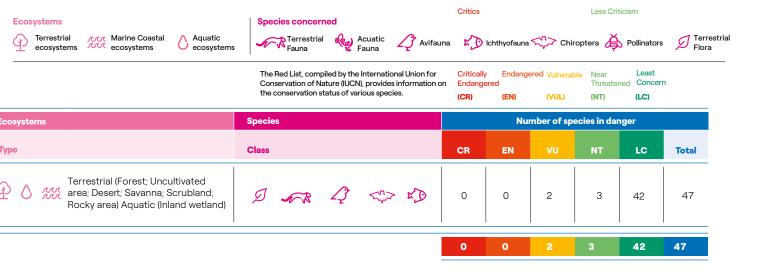
#### **Urban biodiversity**

# Project for the harmonious coexistence of urban trees and power lines

As indicated in 2020, this initiative aims to create the conditions for urban trees to coexist in harmony with medium- and low-voltage power grids. In 2021, pilot points were implemented in communes of the concession area.

During 2021 Enel Distribución joined forces with the municipality of Recoleta to replace 11 tree species in a previously defined area. The new species were selected for their growth characteristics and maximum heights, which ensures their compatibility with the power grids and their environment. The objective is to protect the distribution lines and ensure the continuity of electricity supply to customers, as well as to improve the condition of urban trees that may pose a risk to the community, passersby and vehicles.

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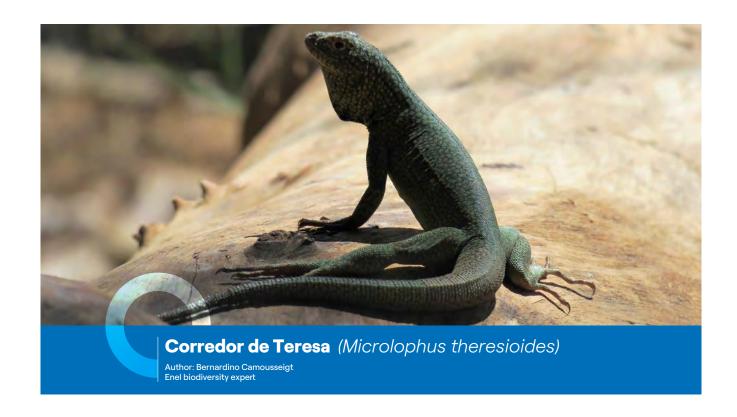


#### **Urban biodiversity monitoring**

Enel Chile is committed to urban biodiversity and ecosystem services, as these services are essential for the functioning of cities and the wellbeing of their inhabitants. This initiative builds on the potential of innovative businesses that measure urban ecosystem variables such as temperature, noise, luminosity and particulate matter, among others.

During December 2021, the first pilot of urban biodiversity was implemented in the business, which will allow the Company

to monitor several variables of the public space through equipment with 5G connectivity, surveillance, electromobility and park safety. This project includes seven wireless IoT (Internet of Things) environmental sensors, consisting of a weather station, soil moisture meter, water level, water potability, water consumption, electricity meter and an environmental node. The data collected will help to better characterize and understand the urban habitat, promoting the development of environmentally friendly spaces.







# Reforestation and ecological restoration at Ralco hydroelectric power plant

As part of the environmental commitments acquired in the Environmental Qualification Resolution (RCA, by its acronym in Spanish) of the Ralco Project, Enel Generación must reforest the area with native species. To comply with this obligation, an alliance was signed in late 2015 with Universidad de Concepción (UdeC), which allowed the native species reforestation process through a collaboration model that incorporated landowners interested in forest conservation.

During 2020, 632 hectares were reforested with Oak (Nothofagus obliqua), Raulí (Nothofagus alpina) and Coihue (Nothofagus dombeyi). In 2021, this area together with another one previously reforested in 2017, obtained a survival rate certification from the National Forestry Corporation, CONAF. In total, this reforestation project considered the production and planting of more than two million native trees (2,266,502).

Additionally, and within the framework of the Ecological Restoration Project initiated in 2019, 19.1 hectares of Lleuque (*Prumnopitys andina*), Guindo Santo (*Eucryphia glutinosa*) and Ciprés de la Cordillera (*Austrocedrus chilensis*) have been restored, in addition to other accompanying species, totaling 129,000 specimens.

It should be noted that ecological restoration is based on a system of work that increases the possibilities of continuity for these protected species, whose environmental needs require a more specific methodology of work and not traditional reforestation.

To date, both reforestation and ecological restoration agreements consider a line of scientific research developed by the University, mainly oriented to the evaluation of the recovery of ecosystem services through reforestation with native species. Within this framework, these projects have provided investigation material for eight undergraduate and graduate theses, and for various scientific papers that have been presented at conferences and seminars. Information about these efforts has also been used for dissemination materials for the non-scientific community.





# Study of genetic variability and repopulation of native fish in the Alto Biobio

In the context of the environmental commitments acquired by the Ralco hydroelectric power plant, the Company developed and continues to implement a study of genetic variability of native fish and a restocking program for migratory fish species. In its first stage, the project considered the acclimatization of individuals and their reproduction; in 2020 the first stage of fish repopulation was carried out in the ecological flow section. In 2021, a total of 56 specimens of the species *Percilia irwini*, 20 specimens of Trichomycterus areolatus and 3 of the species Bullockia maldonadoi were released in the Balseadero Callaqui sector, in the Biobío River, downstream of Pangue. In total 356 individuals of Percilia irwini, 120 of Trichomycterus areolatus and 50 of Bullockia maldonadoi have been released. It should be noted that aquatic biota and water quality monitoring campaigns will continue to be carried out quarterly during 2022, which will make it possible to follow up on the repopulation measurements and thus evaluate the success of this project.

# Huemul conservation project (Hippocamelus bisulcus)

Recognizing the prevalent interest in the protection of the natural heritage of the area, Enel Chile joined the Consultative Council of the Nuble National Reserve.

The Company also got involved in a Multidisciplinary Working Group for Huemul Conservation in the VIII Region, called RECOGE and led by the Ministry of Environment. Enel began participating in this initiative in 2018 and now moved onto the "Plan for the Recovery, Conservation and Management of the Huemul in Los Nevados de Chillán". In March 2021 CONAF (the Chilean National Forestry Corporation) shared with Enel Chile the results of the huemul monitoring campaigns that were conducted in the vicinity of the Laguna del Laja, in three sectors that had been ten years without huemul sightings (for this activity Enel Chile collaborated with the logistics of transportation by barge for the installation and removal of 19 camera traps). After processing more than 10,800 photographic and video records, the project was able to confirm the presence of a pair of huemul specimens in La Puntilla sector of Laguna del Laja, even proposing this site as a potential breeding site for the species.

Finally, and closely linked to the above, during the second half of 2021 Enel Chile made an important contribution to the Huemul Monitoring Program in this area, which consisted of the acquisition of 28 camera traps, the main tool for the study and monitoring of this species.







#### Monitoring flying fauna in wind farms

Since the end of 2018, Enel Chile performs a standardized monthly monitoring of the collisions of flying fauna, along with and an inventory of the richness and abundance of birds that live around the 318 wind turbines that constitute its eight wind farms in operation; half of these research efforts are voluntary. The monitoring activities follow the guidelines recommended by the competent authority and various international agencies, which allows us to better evaluate the performance of each of the plants and compare results with those recorded in other farms, regions or countries.

Results obtained in 2021 reflect a low incidence of collisions, with a minimum of less than 0.05 collisions per turbine per year in the farms in the northern zone, where the average richness and abundance tend to zero (Sierra Gorda East Wind Farm). On the other hand, in the southern wind farms, where an average of 22 species and more than 1,000 specimens are observed in each campaign (Renaico Wind Farm), a maximum of less than 2 collisions per turbine per year was recorded.



#### **Nature in Plants Program**

Enel Chile, as part of its ongoing quest to raise awareness around biodiversity issues, in 2021 created the program *Nature in our plants*, whose objective is to protect the biodiversity around the power plants, and to disseminate information about the initiatives that Enel Chile has promoted in this area.

This program considers the following activities:

• Definition of flag species: The Company believes that successful protection campaigns come after information and dissemination efforts, so that stakeholders understand and know the importance of their actions. At the beginning of the year and with the active participation of employees, the Cordillera Cypress (Austrocedrus chilensis) and the Culpeo Fox (Lycalopex culpaeus) were selected as the species of flora and fauna that would represent the Company's biodiversity efforts countrywide. A logo was created with these species, which has since been used in presentations, wallpapers and other media, giving a special seal to this program.





**Training:** As of June 2021, the Company organized a series of talks aimed at disseminating and understanding the environmental aspects of its activities. Some of the talks imparted are:

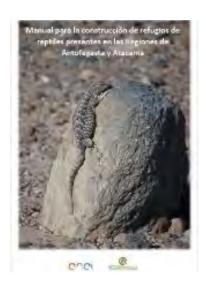
- Impacts associated with wind farms on flying fauna.
- General information, monitoring and impacts on bats.
- General information, monitoring and impacts on desert nesting birds.
- General information, monitoring and impacts on reptiles.
- Technological tools for biodiversity monitoring.
- Workshop for the Business Development (BD) area on impacts and measures in Northern Zone projects..

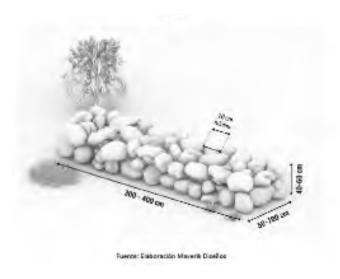
During 2021, Enel Chile employees from different technologies and business lines spent more than 320 hours on biodiversity training.

 Pilot projects: Biodiversity pilot projects have been implemented through partnerships with strategic stakeholders that will ease the implementation of best practices in the facilities, and thus contribute to the achievement of the Zero Net Loss in Biodiversity objective. These are:



- Guide for the construction of reptile shelters.
- Guide for the construction of artificial nests for terns.
- Experimental study to assess if turbine noises attract bats
- Removal of cattle carcasses in Talinay Wind Farm.
- Use of FAUNOLine for monitoring bird collisions in power lines.





Cover of Manual for the construction of reptile shelters.





#### **Telebat platform**

The Telebat platform became available in November 2021, after three years of work. This platform integrates the results of 10 bat remote sensing devices (also developed as part of this project) that are installed in the wind turbines of the Renaico Wind Farm.

The system allows real-time and remote monitoring of bat activity, placing Enel Chile at the forefront of this type of technology.

In the next phase, the results of bat activity will be compared with different environmental variables, to collect data on the life cycle of this species and thus be able to design strategies to reduce the impact of wind farms on them.



View of the Telebat platform for online monitoring of bat activity in the Renaico Wind Farm. The heat map shows that the wind turbines in the southern area concentrate more activity.





#### Valuation study of ecosystem services in Enel Chile's properties

The purpose of the study is to lay the groundwork to create an evaluation system for the ecosystem services that exist in the properties owned by Enel Chile. To begin with, it identifies and describes the most relevant ecosystem services, to propose feasible and sustainable management measures for their conservation based on a natural capital approach. Through information gathering, accounting and valuation of Enel Chile's natural assets, the project looks to obtain

management indicators that can be monitored. These indicators are the basis to measure and evaluate the physical, transitional or systemic risks that may pose a threat to each territory.

The direct application of the results provided by this natural capital analysis, which is focused exclusively on the energy sector, will provide the following capabilities:

impacts and dependencies of our business activity, production, transformation and distribution

Make decisions and establish investment

Make decisions and establish investment strategies regarding risks and opportunities related to climate change adaptation. Sustainable mobility and energy efficiency, among many others

Ildentify the benefits (in the form of ecosystem services) that the corporation contributes to society through the management of its assets and liabilities

The direct application of the results obtained from the natural capital analysis is focused exclusively on the energy sector to

Validate and verify the

Communicate results to increase the social and reputational impact of the entity

Validate and verify the impacts and dependencies of our business activity, production, transformation and distribution

Report on due diligence complaints or on the achievement of intermediate milestones of long-term objectives, such as the Sustainable Development Goals of the 2030 Agenda





This project gathers data and parameterization of the Company's natural capital, to be applied in territorial management models that seek to protect nature and generate value for society and the economy. This, through an adaptive management model of the natural resources available in the territory and of their contributions to the social and economic development of the peoples impacted by them.

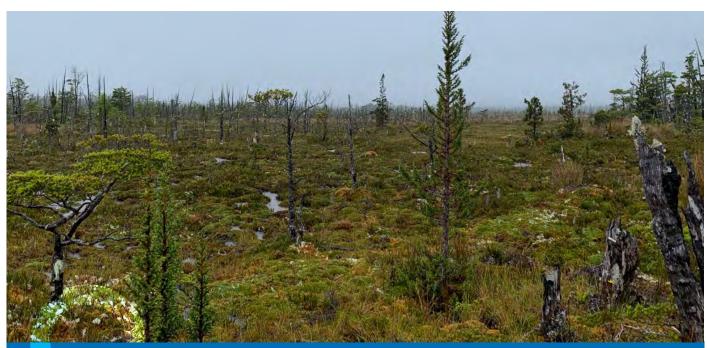
The methodological framework was jointly developed and implemented in a practical property-level management procedure, which integrates planetary boundaries, a safe operating space, the natural capital approach and the available knowledge on accounting and valuation of ecosystem services.

This work has been tested on a variety of properties located in environments where the demands and contributions of nature to society are very disparate.

Property	Region	Surface (ha)	
La Escuadra - Pehuenche	Maule	4.361	
Isla Grande de Pilmaiquén	Los Lagos	8	
Laguna Azul - Bajo Pascua	Aysén	5,930	
TOTAL		10.299	

In this way, it is possible to recognize the real worth of the properties analyzed, not only based on the value of the land or surface area it represents, but also on how the natural resources are configured and the social benefits this piece of land contributes to the ecosystem. Thanks to the definition of indicators, an adaptive management model has been developed that integrates the interests of the territory, the natural environment and society.

For the development of this work, the Common International Classification of Ecosystem Services (CICES) has been implemented, which selects and categorizes services through participatory methods, applying internationally accepted standards at the local scale. These ecosystem services are presented in three main areas: Cultural, Regulatory and Provisioning Services.



Identified Ecosystem Service: CO<sub>2</sub> capture by Peatland Forest

Property: Bajo Pascua Region: Aysén



#### Main ecosystem services identified

Property	Ecosystem services group	Ecosystem services	
		Water infiltration	
La Escuadra	Regulatory services	Erosion control	
		Fire protection	
Pehuenche	Provisioning services	Firewood.	
rendenche	Provisioning services	Wild fruits	
		Regulation of the	
Pilmaiguén	Regulatory and cultural	hydrological cycle	
·	services	Recreational activities and	
		aesthetic experiences	
		Regulation of the chemical	
Logues Azul	Dogulatanyaaniaaa	composition of the	
Laguna Azul	Regulatory services	atmosphere and oceans,	
		(CO <sub>2</sub> capture by forest mass)	
		Regulation of the chemical	
Daia Daggue	Daniel Lance and Control	composition of the	
Bajo Pascua	Regulatory services	atmosphere and oceans,	
		(CO <sub>2</sub> capture by forest mass)	

Among the main valuation results of the study, the identification of nearly 110 services distributed over more than 10,000 hectares in three regions of the country (Maule, Los Lagos and Aysén), a 75% of which were also valued in economic terms, is particularly relevant. It should be noted

that the most significant service is  $CO_2$  capture, with a potential capture value of more than 5,000 tons  $CO_2$ /year.

An integrated implementation of land management plans could achieve values above US\$400,000 per year.

_	_	Regions analyzed		
	Maule	Los Lagos	Aysén	
	La Escuadra Pehuenche	Pilmaiquén	Bajo Pascua Laguna Azul	
N° of Ecosystem	43	00	41	
Services Identified	43	26		
N° of Ecosystem	40	1.4	28	
Services Valued	40	14		
Estimated CO <sub>2</sub>	1 470	77	2.507	
Capture. Main	1,470	77	3,527	
SSEE	ton CO <sub>2</sub> / year	ton CO <sub>2</sub> / year	ton CO <sub>2</sub> / year	
Economic value	81,721	131,000	191,528	
creation	USD /year	USD / year	USD / year	







#### Indicators that contribute to increase value in Enel Chile

Identifying robust and traceable indicators that demonstrate sustainability in a territory is a complex and permanent challenge, as they must be considered in the integration of local business models. On the other hand, information based on data from the territory makes it possible to assess the impact and dependencies of the services provided by nature on the local socioeconomic structure.

This provides a comparable framework for associating benefits in territorial management with benefits at the corporate scale. The main linkages are presented below, grouped by the classification of ecosystem services:

• Provisioning services: Given that Enel's main activity in the properties analyzed is not focused on the use of renewable natural resources, management plans suggest applying a shared value creation logic to the identified material productions. In this logic, community interaction for the use of these services is channeled towards sustainable use, thus contributing to the formalization of extractive activities and their regulation through governance mechanisms that involve the community in the interest of maintaining the properties in good state of conservation, both operationally and environmentally.

- Regulatory services: The greatest vulnerabilities detected
  in the properties are in their provision of these services.
  Therefore, management plans propose actions aimed
  at managing operational environmental risks (mass
  movement, forest fires and others) by restoring native
  vegetation cover and promoting ecosystem resilience.
  This results in a significant strengthening of the capacity
  of the properties to produce carbon sequestration and
  biodiversity conservation.
- Cultural services: The difficulty in conceptualizing cultural services has been offset by the availability of data on them, which means that the production of cultural services also generates a significant increase in economic value in the proposed management plans. This is done with the full participation of the native communities involved, and as in the case of provisioning services, in a logic of shared value creation. This occurs through actions aimed at promoting sustainable tourism and related activities, the formal protection of landscapes and other elements to foster people's experiences in them, and via supporting the logistical function of the properties for educational and research activities.

The linkage of the Ecosystem Services identified and valued are in line with international standard indicators required by the different analysts, which are mentioned below:



<b>Ecosystem Services Group</b> Provisioning	GRI / DJSI Shared value	<b>ODS</b> 4.4 Training and entrepreneurship
	GRI 203, GRI 413	
		8.3 Productivity and decent work
Regulatory	Risk management GRI 304, GRI 305	13.1 Resilience
		15.1 Conservation, restoration and
		sustainable use
Cultural	Shared value GRI 411, GRI 413	8.9 Sustainable tourism



Identified Ecosystem Service: Conservation of native flora
Property: Bajo Pascua
Region: Aysén



Identified Ecosystem Service: Native Forest Restoration

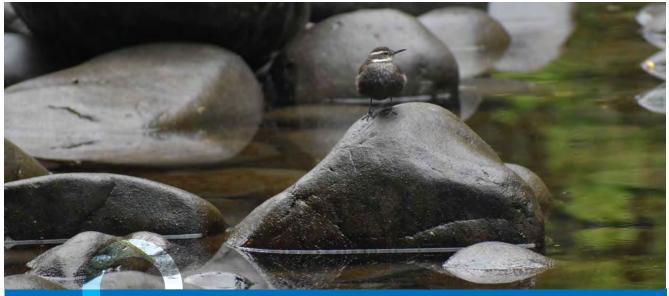
Property: Laguna Azul
Region: Aysén





Identified Ecosystem Service: Water regulation

Property: La Escuadra Region: Maule



Identified Ecosystem Service: Bird watching Churrete (Cinclodes patagonicus)

Property: Pilmaiquén Region: Los Lagos



Identified Ecosystem Service: Landscape Preservation

Property: Pilmaiquén Region: Los Lagos

#### **San Ignacio del Huinay Foundation**

Founded in 2001 by Endesa Chile (today Enel Generación Chile) and the Pontificia Universidad Católica de Valparaíso (PUCV), the San Ignacio del Huinay Foundation seeks to understand the structures and dynamics of the ecosystems of Chilean Patagonia and their relationship with climate change through scientific research projects. The Foundation is located on the coast of the Comau Fjord, in a territory of

35,000 hectares in the Chilean Patagonia. The Foundation's objective is to investigate the main climatic variables that impact terrestrial and aquatic ecosystems, with the aim of making available the knowledge generated for the benefit of society, contributing with quality and relevant information for the conservation of coastal biodiversity in southern Chile.

# Multi-use coastal marine protected area (Comau Fjord)

The Multipurpose Coastal Marine Protected Areas (AMCP-MU by their acronym in Spanish) are an instrument whose main objective is to conserve the integrity and diversity of nature, ensuring that any use of natural resources is equitable and ecologically sustainable. Different sustainable use activities may be developed in these areas, as long as they do not affect their objects of protection and are in accordance with the respective management plan for the area.

In 2001, the Chilean Government granted the Huinay Foundation the administration of the AMCP-MU Fiordo Comau, which has an area of 414.55 hectares, by means of a supreme decree. In 2021, the Ministry of the Environment prepared a Proposed Management Plan for the Comau

Fjord Multipurpose Coastal Marine Protected Area (AMCP-MU), Los Lagos Region. This study identifies the following conservation targets in the area: cold water coral formation, mithilid nurseries, Chungungo (*Lontra felina*) and Patagonia Verde landscape.

The Management Plan defines short-, medium- and long-term challenges, which call for a collaborative governance with the different users of the AMCP-MU. The plan also seeks to promote environmental education in relation to its conservation targets and studies and monitor these conservation targets. The strategic planning of the project is expected to begin in 2022.

Developing this project contributes concretely to the country's commitment to the <u>Nationally Determined</u> <u>Contributions (NDC) in the Integration–Oceans Component N°11.</u>





#### **Regional governance strategy**

The Foundation aims to understand terrestrial and aquatic ecosystems, their interaction and the effects of climate change on them. This purpose is achieved through the implementation of a program called POETA (by its acronym in Spanish), Program for the Observation of Terrestrial and Aquatic Ecosystems.

In addition to scientific research, the POETA program has an axis dedicated to training. In this area, its two flagship initiatives are: a Diploma in Climate Change Education taught by professionals from the Center for Research in Science Education and STEM Education (CIDSTEM), of the Pontificia Universidad Católica de Valparaíso (PUCV), for teachers of municipal schools and schools in the commune of Hualaihué, and the *Huinay Seasonal School*, which has an annual version for university students from different scientific and non-scientific backgrounds, who participate collaboratively in the different research and study campaigns that the Foundation carries out.

#### **Diploma in Climate Change**

EThis initiative, which is part of the work that the PUCV has been developing for years in collaboration with the San Ignacio del Huinay Foundation, lasts ten weeks and is imparted free of charge. Throughout the experience, the 16 teachers who were part of the 2021 diploma course had classes both in classroom and virtual mode, including five days of work inside the Foundation, in the Comau Fjord.

The 16 graduates of this first diploma course in Climate Change Education were recognized by the faculty of the Pontificia Universidad Católica de Valparaíso, as well as by the scientists of Fundación San Ignacio del Huinay and executives of the Society, in a closing ceremony held in the Hornopirén High School.





#### Featured projects in environmental education

Our ESG performance

#### **Environmental outreach campaigns**

During 2021 Enel Chile, launched the Environmental Commemorative Dates program, with the objective to contribute to: "Educate, communicate and value the Company's environmental management".

This program seeks to address different environmental issues in line with the schedule of the Ministry of the Environment. These dates provide a good occasion to deliver messages aimed at raising awareness and communicating the Company's good practices. In 2021, the program considered the following commemorative dates, which were complemented with featured publications.

- International Recycling Day
- World Environment Day
- National Environment Day
- · International Day against Climate Change
- World Soil Day
- · Additional publications
- · Huemul monitoring in El Laja (camera traps)
- Environmental Calendar
- · Species conservation initiatives (Chilean Fauna).

# Training plan: bringing environmental knowledge to level

To promote environmental transformation within the Company including all its business lines, a training plan has

been developed since 2020 aimed at internal personnel, executives and contractors. The activities were carried out in online mode with the participation of about 620 workers. Some of the topics covered were:

- Course on urban tree management, given by the Universidad Católica with the objective of providing tools to identify actions that may be detrimental to the growth of trees. 152 associates participated.
- Training on the new environmental checklist for inspections, which aims to implement a standard form for all Group activities and incorporate an Environmental Index to assess the environmental performance of contractors within the Company's qualification systems. 119 professionals participated.
- Webinar on biodiversity, given by the Regional Coordinator
  of wildlife and natural resources of the Chilean Agricultural
  and Livestock Service (SAG, by its acronym in Spanish). The
  objective was to raise awareness and provide tools on the
  correct management of the avifauna that may be present
  in power lines. 150 professionals participated.
- Webinar on Archaeological Findings, given by our Archaeologist Johanna Jara. The objective was to raise awareness about Cultural Heritage and the protocols to be implemented if works need to be carried out in typical or picturesque areas, or if the need arises to identify possible archaeological findings. 200 professionals participated.

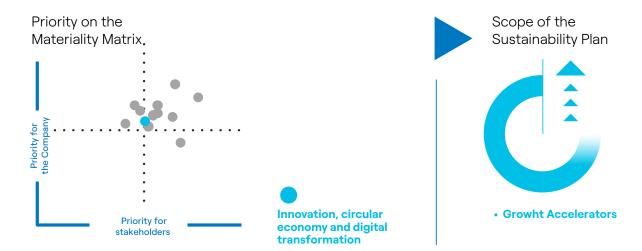






#### Innovation and digital transformation

103-1 | 103-2 | 103-3



#### Primary material issue: Innovation, circular economy and digital transformation

#### How is it managed? Material issues

For Enel Chile, innovation is one of the accelerators of the energy transition process, which is leveraged so that the Company's business is always more sustainable. Through the Innovation Hub located in Santiago de Chile, a bridge is created between the innovation ecosystem external to the Company and the internal needs of the business. This bridge connects startups with the Company, generating solutions that allow both parties to move forward. Another aspect that is addressed is the promotion of an innovation culture within the company through the work of the Idea Hub, a function that promotes creative thinking and aims to unleash the creative potential of the Company's people.

Furthermore, each Business Line incorporates personnel specialized in innovation to facilitate the adoption of solutions aimed at a more efficient and circular performance of the Company, leading the digital transformation and energy transformation. With the integration of digital technologies throughout the value chain, it is possible to conceive new ways of operating and interacting, achieving not only efficiencies and better performance, but also the paradigm shifts required to drive electrification and, therefore, sustainability.

- Innovation and sustainability ecosystem
- Circular economy
- Digitalization and cybersecurity

#### Importance of good management

The energy transition that the Company is leading requires agility and adaptability. Innovation, digitalization and circular economy are key to accelerate responses to the transformations that the planet and society demand and need. At the same time, they are decisive to ensure the ability to anticipate customer needs, increase safety and continuity of service and use resources rationally; consequently, they contribute to operational efficiency.

Poor management in this area could delay the transition process by hindering the digitization of assets, electrification and the move towards greater decentralization of energy, where the consumer becomes an ever more active player in energy management, empowering them to be both producers and consumers at the same time. Circularity applied to the design of products and services also avoids or mitigates one of the main risks to the economy, biodiversity loss and its threat to the availability of natural resources. The circular economy in fact avoids the production of waste or industrial materials that cannot be reused in further production cycles; it also generates circular inputs through renewable generation, mitigating the risk of climate change. Finally, the valorization of existing waste materials allows for a reduction in the use of raw materials. All these integrated factors generate competitiveness for the company.



#### Sustainable Development Goal







#### Principles of Human Rights Policy



# World Economic Forum Risks



### **Goals and challenges**

SDG	Activity/goal	Goal Plan	Results	Goal Plan
300	Activity/goal	2021-2023	2021	2022-2024
17	Disseminate creative thinking to foster innovation (N° of participants).	150	1,609 people attending activities	20 training sessions and 250 people
9 11	Number of annual events to disseminate knowledge on cybersecurity.	15	18	14
9 11	Number of annual global reviews on information security	800	1,536	800
17	Strengthen the exchange of best practices and knowledge on circular economy with external actors.	Strengthen the exchange of best practices and knowledge with external stakeholders.	10 practices with external stakeholders	300

Principles of Human Rights Policy	
	Enel Chile is committed to accelerating the decarbonization and electrification processes through the application of new technologies that support energy transition through breakthroughs in robotics and digitalization.
Environment	The protection of the environment and natural resources are strategic factors in the planning, performance and development of Enel Chile, which is why it develops projects such as Second life of solar panels.
Privacy	Enel Chile respects the confidentiality and the right to privacy of its stakehold-ers, and the correct use of information.





#### **Innovation**

Enel Chile has two axes through which it promotes innovation work: the first is the Open Innovability model, materialized through the Innovation Hub; and the second is the culture of innovation, through the Ideas Hub..

#### **Innovation Hub**

The objective of the Innovation Hub is to link the Company to startups that address its challenges, to incorporate innovation into the technical and operational processes of the different business lines. To this end, the strategy focuses on scouting processes that allow us to explore the Latin American innovation and entrepreneurship ecosystem to find the best startups, academies and business partners, among others.

#### **Innovation ecosystem**

Innovation is one of the enablers of the Company's sustainability plan, and therefore, together with digital transformation, is part of the key activities to achieve a transition process towards a new energy model that benefits the Company and its customers, thus contributing to the fight against climate change.

To this end, Enel Chile has an Open Innovability model - or sustainable open innovation - that creates solutions, products and services with the aim of continuously transforming the current energy model.





In 2021, the Innovation Hubs network conducted online bootcamps due to the pandemic context. This brought Enel Group's global business lines closer to the local innovation ecosystem which includes startups, the academia and other business partners, in a quest to find innovative solutions to global challenges and opening the door to their development.

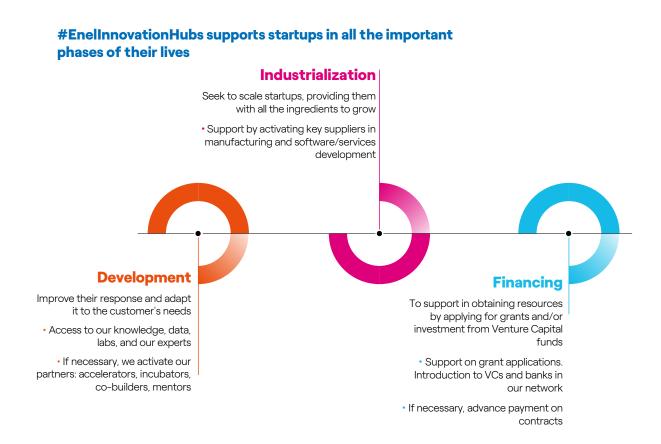
This modality remained active throughout 2021, with the evaluation of more than 100 startups from all over Latin America, allowing to plan various Proofs of Concept with the selected startups for 2022.

#### **Bootcamp methodology**



#### Support throughout the development cycle

Enel Innovation Hub Chile actively collaborates throughout the creative and development process with selected startups, promoting their development, financing and industrialization of their projects.







#### Global linking

By partnering with Enel Chile, startups gain access to various facilities around the world to test their solutions, as well as to more than 74 million customers worldwide, or to more than 49 GW of installed renewable energy capacity.

At the Enel Group level, there are different levels of interrelated Innovation Hubs:





















Presence in the best startup ecosystem in the world. To develop a solid position within the ecosystems to quickly seize the best opportunities for Enel.

**HAIFA** MILAN Near the best Enel test facilities and know-how. To develop a solid position within the ecosystems to quickly seize the best opportunities for

CHILE Bridge to fast-growing ecosystems in countries strategic to Enel. To solve local challenges and evaluate scaling up globally (new disruptive approach to growing economies).

#### **Partnerships**

This year Enel Group maintained successful alliances with different innovation ecosystem players such as NXTP Corporate Partners, which allows access to its portfolio of solutions and the execution of scouting processes (recruitment of startups). This approach also supports the dissemination of activities carried out by the Innovation Hub Chile.







#### **Activities to drive innovation in Enel Chile**



#### **WEBINARS**

This year, Enel Generación held a webinar together with Diario Financiero called "The rise of Smart Cities, an opportunity for the future", with the aim of strengthening ties with the innovation ecosystem.



#### **BOOTCAMPS**

Bootcamps were held during 2021: - Climate Prediction for Trading



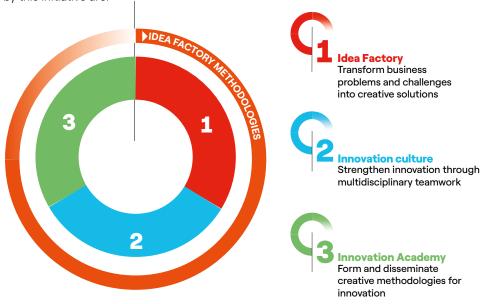
#### **EVENTS**

In 2021, Enel Innovation Hub Chile once again participated in face-to-face events through the International Entrepreneurship and Innovation Meeting EtMday, which was held on December 10 and 11, 2021 at the Corfo stadium.

The activity, which was attended by more than 9,000 people, included two talks on Enel's innovation challenges and how we collaborate with startups. The Company also held an event on the main stage to commemorate the 5 years of the Enel Innovation Hubs network.

#### Idea Hub

The purpose of Idea Hub is to promote a culture of innovation within the Company by developing relevant knowledge among all employees, to ensure the participation and transversal integration of business lines around innovative thinking. Idea Hub is present in eight countries where Enel Group operates, fostering the creativity of technical and professional teams and providing them with tools that allow them to develop their capabilities and promote synergies within the Group. Some pf the areas covered by this initiative are:







#### 1. Idea Factory

Through Enel Chile's Idea Factory, the Company promotes the use of different methodologies that help employees to think outside the box, offering them support in the analysis, selection and implementation of the best solutions to the problems and/or challenges they face, to transform workspaces into true innovation laboratories.

#### **Idea Factory Methodologies**







#### Creative problem solving

Based on the way creative thinking is naturally built. This methodology looks to turn problems into challenges, opening the way to a resolution process that creates a fertile environment for creative

The construction of thinking emerges as a four-step process:

1 Clarify
2 Ideate
3 Develop
4 Implement

#### **Design Thinking**

A "human-centric" way of work that places the customer at the center of everything and uses different tools to co-create the product or service that best suits their needs, changing their habits and improving their experience.

The steps of Design Thinking are:

1 Empathize
2 Define
3 Ideate
4 Create a prototype
5 Test

#### **Lean Startup**

Used for business and product development, it allows shortening the cycles of each process by adopting a combination of hypothesis-driven experimentation to measure progress, iterative product launches to gain meaningful customer feedback, and validated learning to measure how much has been learned.

The phases of the process are:

1 Learn
2 Create
3 Measure



#### 2. Culture of innovation

The Company's initiatives to promote a culture of innovation include the following:

#### a) Innovation ambassadors

They seek to improve voluntary and cross-functional collaboration by creating a network of people from different areas who can influence, expand and develop the culture of innovation at different levels of the organization. The Company recognizes that to establish a culture of innovation, it is essential to have employees who apply it in their daily work.

#### b) Make it Happen

Corporate entrepreneurship program through which the Company promotes employee participation by encouraging the presentation of ideas that can solve business needs, that could result in new business models, or that seek to improve the operation. The goal is to develop a proactive and experimental attitude in Enel's employees around the world by giving them an active role in the implementation of new ways of doing things, and the ability to lead these changes and the process of innovation and transformation of the organization. This initiative, launched in March 2019, relies on the support of experts in every phase of the process, has been allotted venture capital and time to develop the projects.

In 2021, 24 employees participated and presented nine new ideas in five business lines, of which, four were discarded in December 2021, one is in the implementation stage, and the other four are in the design stage. Following are the projects in the implementation stage.

# 1. Enel Distribution Bi-Protocol collector: This project, which in 2021 moved to the implementation process, is an efficient and economical telemetric reading method that extends the useful life of the old readers avoiding their obsolescence.



The benefits allow for a single payment, made by the Energy Management Area, instead of a 4 USD charge for each customer with an obsolete meter. The new protocol can decipher both reading systems (old and new), just like other brands. This device incorporates a non-reading alarm system, which prevents meter non-readings without affecting the billing process, thus adding value to the Company's assets.

#### 2. Green Contractor for sustainability and general services:

Currently in the implementation phase, this project aims to reduce the carbon footprint of contractors in scope 3, to improve Enel's value chain and contribute to carbon neutrality. To achieve this, an evaluation system was implemented that allows future contractors to measure their emissions and obtain benefits according to the score they obtain.

By working collaboratively with contractors, Green Contractor makes it possible to deliver 100% emission-free energy to customers.



**3. Enel Virtual City:** This project, which is in the implementation phase, is a mobile game whose objective is to get closer and to learn more about the customers

behind the meters. Enel Virtual City invites customers to a gaming platform which, through the initial registration, asks them to update their ID data.

The dynamics of the game is based on a virtual city where each customer will be geo-referenced through their ID in a virtual home, which can be improved by obtaining Enel points. Enel points are obtained through mini games



. ... . . .

based on energy efficiency and electro mobility, following the Company's vision of a greener future.





#### c) Woman Innovation Lab (WIL)

This program was born in 2019 from the interest of four Enel Group women to contribute to women's professional development and female leadership through innovation. In 2021, it was consolidated and gave rise to the WIL community, which together with the Company's people and organization team, works with more than 120 women participating in creative sessions and talks on various topics related to female leadership.

At the same time, an open competition was launched to choose WIL - WEP directors (WEP stands for "Women's Empowerment Principles") to lead initiatives in line with these principles. Its first mentoring program attracted 22 Enel women and produced remarkable results; four inspiring talks were held on this subject. At its peak, 167 women got involved, who, among other activities, attended a two-hour workshop.

#### 3. Innovation academy

The Innovation Academy aims to enhance knowledge and deliver new work methodologies to employees who participate, develop or have an interest in innovation and digital transformation. This is achieved through a "learning by doing" approach, which drives a creative and agile,

# Innovation in Generation Boosting energy transition

The Company focuses on identifying new technologies that support the energy transition process using advances in robotics and digitalization, which is one of the main objectives of the innovation area in *Power Generation* Chile. With a long-term view, it seeks to promote new ways of producing energy through the advantages offered by marine energy, hybridization of energy production or the procurement of green hydrogen as a new energy vector. Likewise, there is a permanent search for other ways of doing maintenance through the exploration of different

#### **Power G**

Enel Chile seeks to empower employees to become ambassadors of innovation. To this end and through a participatory process, different initiatives are presented to a committee, which is responsible for selecting the winning proposals from employees, which are recognized and developed for possible implementation.

#### d) Innovability week

Organized jointly by Enel Chile, Enel Colombia and Enel Peru, this activity generated a great participation at a global Group level. It featured talks, workshops and inspiring conferences, and it provided a platform to showcase the projects under development in the Innovation area.

#### e) "60 minutes of innovation" meetings

Idea Hub continued in 2021 with the development of the "60 minutes of innovation" meetings, with the objective of inspiring and sowing creative and innovative seeds within the organization, while also spreading the culture of innovation. Thirty-five sessions were held on topics such as blockchain, mobilizing questions, programming, storytelling, personal empowerment and leadership and brain gymnastics, among others

customer-centric way of working. In 2021, Innovation Academy trained more than 187 people in innovation and creativity methodologies, fostering creative thinking through Design Thinking, Lean Startup and Creative Problem Solving, among others.

technologies that allow the least possible impact on the environment.

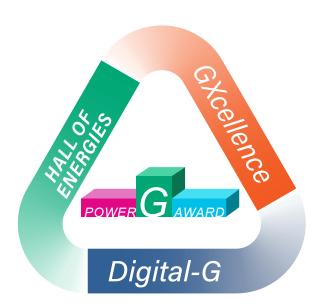
Enel Chile has a culture of adapting to constant change through internal and external innovation. The former promotes a more horizontal and matristic organization, facilitating communication in the Company, and the latter works with startups and open-call processes, inviting new actors who might be able to contribute new solutions.

In 2021 three initiatives (Gxcellence, Digital-G and Hall of Energies) were merged into a single program: Power G. This program aims to recognize good behavior in line with Open Power values, recognizing innovative ideas and implementing best practices for adopting new digital tools.



In the second version of Power G, in 2021, a total of 241 ideas were received, of which eight were selected to compete in the global stage of Power G, which will be evaluated by the final Committee in 2022. This initiative encourages

employees to actively participate in the innovation process, opening a new space for organizational development and fostering the capabilities of the people who make up the Company.



#### Innovation ecosystem

In 2021, Enel Chile sponsored the second version of the Antofa Innova program in the Antofagasta Region, which organizes three open innovation tournaments in a bid to strengthen and promote the development of technological entrepreneurship and innovation for the region's main industries (mining, energy, logistics, tourism, water and agriculture).

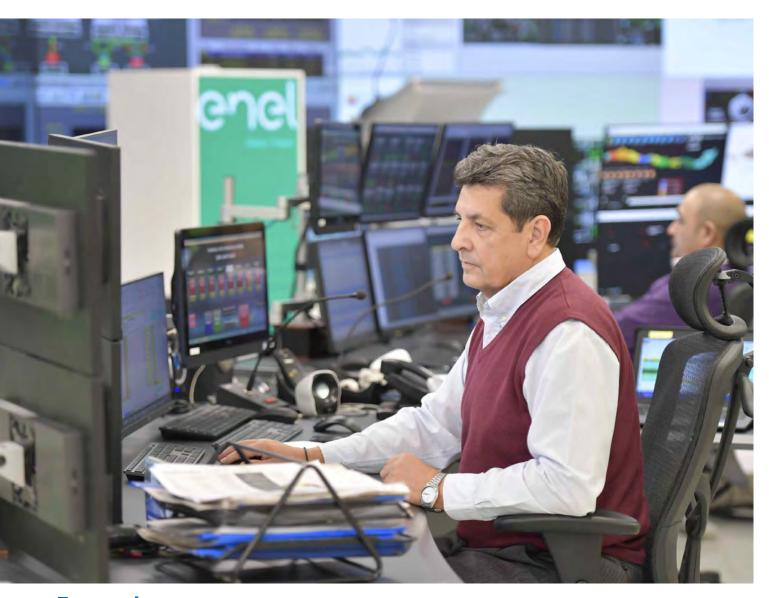
Enel Chile put forward a challenge to improve the efficiency of solar panels. The program received more than ten attractive proposals, and then pre-selected the participants who presented their ideas on the Pitch Day. Through a mentoring program, the winner is developing the details of the technical proposal and associated budgets together with the Company, with a view to generating a product that can be piloted in 2022.

#### **Featured projects**

- Second life of solar panels: Through this project, the Company seeks to generate a circular economy around devices removed from the operation stage, by giving solar panels a second life. This initiative seeks to test more than 1,000 panels, determine their operating condition and certify their possible uses, as well as establishing protocols and generating a business model.
- Tethered Solutions Drone and Balloon for Communications and Security: This project was executed with great success as a proof of concept (PoC), as it demonstrated that it is possible to extend communications signal coverage in very remote areas. The PoC consisted of using a drone connected to a power cable with 4G signal, which rises to a height of 80 meters to illuminate the area and verify its WIFI signal extension to the area being tested.







#### **Featured events**

- a) Innovability Days: In its 2021 version, the "Innovation Days" were held in November with more than 400 people logging in remotely to share the vision on innovation and sustainability that runs throughout the different countries where the Group is present, with a focus on the future. Several outstanding projects were presented, such as, for example, the research and developments that are currently underway to produce energy on the moon.
- **b)** Cavendish Mission: This is a space for discussion, learning and bringing ideas together to support the development of green hydrogen projects in Chile. This initiative was created by the Innovation Club, H2 Chile and sponsored
- by Corfo, within the framework of the ongoing energy transition and new commitments towards the goal of carbon neutrality. It includes the development of a clean and renewable energy strategy, highlighting "Haru Oni", the first industrial-scale green hydrogen project in Chile, where Enel is collaborating with HIF and other companies.
- c) Entrepreneur your mind: On December 10 and 11 2021, this activity brought together the main actors of the entrepreneurial ecosystem and large companies, and it was the first international meeting of entrepreneurship and innovation in Corfo's facilities.



#### **Innovation in distribution**

Through Network Business Opportunities Development & Innovation, the Company's strategy is to promote the digitalization, decentralization and resilience of the grids, facilitating the spreading of electricity use and generating multiple advantages, such as facilitating operations and traceability of controls, integration of applications and closing the technological gap, all while increasing energy efficiency to give customers more access to electricity.



#### Innovability Challenge ID Program

Enel Group's Global Infrastructure & Networks business line seeks innovative solutions to improve the quality of work, network efficiency and service. To this end, it has a program for all its employees in which solutions based on high value-added technologies such as virtual reality, wearable, robotics, and artificial intelligence, among others, are put forward.

The proposed solutions are evaluated based on technical parameters, as well as economic and commercial impact for the line of business, with the Company favoring those that can be implemented to achieve results in the short term, that incorporate new technologies and that feature a sustainable approach.

#### **Supporting startups**

In 2021, Enel Distribución Chile developed a mechanism to reach out to the best startups of the national ecosystem to find solutions that generate value for the business, while promoting the growth of these local ventures. As a result, the Company created a mechanism to formally generate contracts specially designed to work with suppliers with innovative and technological startup characteristics, to jointly create Proof of Concept (PoC) definitions and services with a view to quickly generating prototypes of solutions with a limited cost, and thus analyzing the feasibility of technical and technological solutions to improve the quality and reliability of the network.

#### **Featured projects**

a) Resilient Distribution Grids Leveraging DER Flexibility (ReFlex): To assess impact of the short- and mediumterm demands, as well as of the infrastructure needs for the supply in ski centers, Distributed Energy Resource Systems (DERs) and Small Means of Distributed Generation (PMGD) with the objective of improving the resilience of the grid and add new technologies that render it more flexible.

b) Innovation in civil works: This refers to projects for the optimization and modernization of civil works in low and medium voltage distribution executed in national public property, considering the maximization of time, costs and the use of technologies to improve their development, increasing the safety control of the activity and minimizing their environmental impact. To achieve all this, a work team evaluates the concrete proposals for each line of action, which are then performed considering several aspects.





#### **Digital solutions and cybersecurity**

Digitalization makes it possible to promote economic, social and environmental sustainability, encouraging more conscious consumption, access to energy –especially for the most vulnerable sectors– and environmentally friendly energy use.

To ensure a safe and more sustainable electrification, it is key to promote the transversal adoption of digitalization throughout Enel Chile's value chain. The incorporation of data-driven digital solutions makes it possible to implement new, greener business models based on platforms, with applications that range from the optimization of assets through the management and maintenance of plants and of the distribution and transmission grid, to providing personalized services for customers with new forms of interactions or developing work platforms for workers, among many other possibilities that foster greater flexibility and resilience in all business lines.

#### The Company's digitalization strategy works on two axes:

- 1. Digital solutions, related to assets, customers and people.
- 2. Data Driven, linked to the Platform, Cloud and Cyber Security areas.

#### Digital solutions that make the operation more sustainable

The main developments on which the Enel Group focused in 2021 were:

#### **Cloud computing**

For Enel, the cloud is a strategic enabler that has facilitated the use of IT resources, both in terms of infrastructure and applications, when necessary, since by offering enhanced network access possibilities, it reduces the waste associated to the consumption of unused resources. The cloud used by Enel demands, on average, about 16% of the energy required by conventional infrastructures in the facilities, allowing an average reduction of CO<sub>2</sub> emissions of about 88% and an optimized use of water for cooling devices.

#### Unified communications and collaboration

The Unified Communications and Collaboration (UCC) platform integrates real-time communication services such as instant messaging (chat), IP telephony, audio conferencing and videoconferencing with different means of communication such as, for example, answering machine, e-mail and SMS, taking full advantage of the sharing model that allows content to be transmitted online and enjoyed from a personal computer, smartphone or tablet. This reduces the need to travel and, therefore, CO<sub>2</sub> emissions.

#### Data exchange and e-API

The e-API (Enel Application Programming Interface) digital ecosystem is the digital environment through which all Enel Group companies can quickly and automatically share information that would normally remain confined within specific vertical applications ("silos" of information). The ecosystem is supported by an API, thanks to which the Company's systems can exchange information flows in real time through standard interfaces and data trails. This ecosystem has contributed to accelerate the adoption of digital solutions, facilitate the true reuse and exchange of information, reduce data redundancies within Enel and, in general, lessen the amount of time and resources used in the exchange of information flows. In 2021, 123 new e-API interconnections were created.

#### Machine learning and predictive maintenance

Enel Group adopts machine learning technologies to perform predictive analytics in relation to the maintenance of electricity distribution networks and generation plants, identifying potential errors in advance and intervening before failures occur in major components. Reducing the risk of malfunction has a significant impact not only economically but also on the environment and people's safety. This allows the Company to provide a better quality of service, making it more sustainable over time, while at the same time promoting an optimized use of internal resources and increasing safety levels at work by allowing focused inspections on the equipment most exposed to risk of failure.

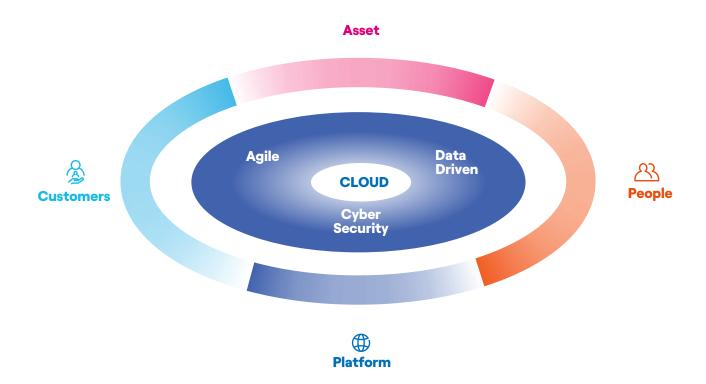


#### Data driven for new business models

#### Digital circular assets

The use of platforms makes the management of digital assets more effective in accordance with the principles of the circular economy, helping to maximize recoverable value and providing accurate information on the availability, location and condition of resources. The circular management of digital assets, in the various countries

where the group operates, is carried out by safeguarding both the extension of the useful life of digital devices, through their sale to employees or third parties, and by disposing of these devices in accordance with the principles of reuse and recycling, characteristic of the circular economy.



#### Focused on the customer

Through digital technology, customers obtain new platforms from which to interact with the company, for example, through applications such as Smart Invoice for virtual assistance and Unique ID to simplify customer contact. Enel X has also developed recharging platforms such as Salesforce and Smartmeters, which simplify the company's relationship with electricity users, optimizing response times to possible outages, data management and associated costs.

There has also been a focus on developing tools for customer relations, with applications such as WhatsApp or RPA (Robotic Process Automation) solutions, which have made it possible to incorporate changes in customer processes.

From the perspective of internal management processes, improvements have been developed and implemented in the collection tasks, facilitating the management of each client's debt, allowing progress in the development of strategies that facilitate payment. Another example is the incorporation of support systems that reduce the manual burden of managing the contribution margin, by providing a single base which allows a full view of the process, with access to reports and scorecards.





#### **Advances in local programs**

- E4E Evolution for Energy is a global program that aims
  to radically improve processes in core business lines and
  processes in administration, finance, controlling and
  procurement, driving improvements through the exchange
  of best practices, standardization of models and reduction
  of fragmentation and complexity of SAP systems. The E4E
  landscape based on the value chain represents a significant
  step towards the adoption of a global corporate model and
  a single system across functions and countries, placing
  data at the center of everything.
- RPA Administration: based on GDS Enel's RPA (Robotic Process Automation) platform, virtual colleagues have been made available to the management team in different countries in the region to attend to processes that involve great efforts to comply with the necessary time and quality. These include municipal tax payments in Brazil, energy supplier payments in Chile and bank reconciliation processes in Argentina, among others.

#### **Cybersecurity**

The Enel Group has a systemic model of action and management of cybersecurity, which covers all the companies that comprise it, including Enel Chile. This model is promoted by Senior Management and involves the participation of all corporate business areas and the areas responsible for the design, management and operation of IT systems.

Enel Chile, as part of the Enel Group, has a global cybersecurity unit that oversees the issues of each country, including Chile, and reports directly to the Chief Information Officer (CIO), Carlo Bozzoli, who works under the Chief Information Security Officer (CISO), Yuri Rassega, a team responsible for ensuring governance, coordination, control of cybersecurity issues, and the definition of strategies, policies and guidelines in accordance with current regulations. This system is designed to ensure timely decisions at a global level, applicable in Enel Chile, in a context in which the response time is critical.

The cyber security governance model establishes the need to use world-class technologies, design ad-hoc business processes, increase employee cyber awareness and generally go beyond cyber regulatory requirements.

The Company has been applying a cyber risk management model since 2017, which is valid for the entire Enel Group and therefore for Enel Chile. This model makes risk analysis the basis for all strategic decisions.

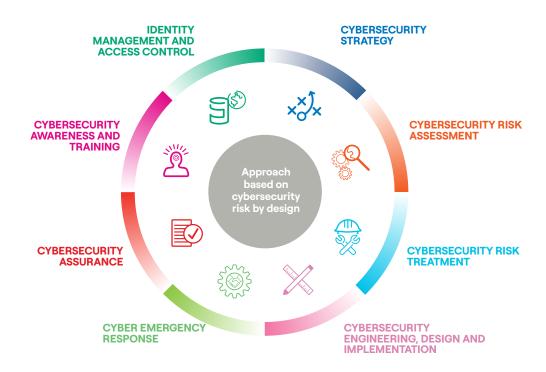
This cyber defense model is based on a methodology that applies to all types of IT systems, identifying, prioritizing and quantifying cyber security risks associated with the use of such systems.



#### IT systems involved:

- Information Technology (IT), from the cloud to the data center.
- Operational Technology (OT), everything related to the industrial sector, such as remote plant control.
- Internet of Things (IoT), the extension of communication and intelligence to the world of objects).

The final objective of the model is to identify and adopt the most appropriate security actions to minimize and mitigate risks. In line with this methodology, Enel Chile identifies information systems that require such risk analysis, from which the appropriate mitigation actions are established according to the type and severity of the risk.







Organizational documents relevant to cybersecurity:

- Policy No. 17, "Cyber Security Framework".
- Policy No. 25, "Management of Logical Access to ICT Systems".
- Policy No. 344, "Application of the General Data Protection Regulation (EU Regulation 2016/679) within the scope of the Enel Group".
- Policy No. 347, "Personal Data Breach Management".
- Policy No. 358, "Cyber Security in Industrial Control Systems".
- Organizational Procedure No. 204, "CERT Cyber Emergency Readiness Team".
- Policy No. 1815 Incident and problem management.
- Operating Instruction No. 944, "Cyber Security Risk Management Methodology".
- Policy No. 33 "Information Classification and Protection".
- Organizational Procedure No. 36 "Solution Development & Release Management".
- Policy No. 1075 "Secure Decommissioning of IT/OT Assets" and related Security Guideline (SGL) No.15 "Secure Media Sanitization Guideline".
- Policy No. 1026 "IT Service Continuity Management" and related Operating Instruction (OI) No. 2415 "Remediation of severe outage in laaS".
- Policy No. 1097 "Rules of Behavior for Digital People".
- Policy No. 1742 "Admin to User Management".

#### **Preventing and monitoring cyber-attacks**

102-15

The speed of technological development brings with it great challenges, even more so when the frequency and intensity of cyber-attacks is increasing and with a strong tendency to target critical infrastructures and strategic industrial sectors.

In recent years, Enel Chile has promoted an important digitalization program, with special focus on its assets, which has been implemented through an agile design of the main processes of its business lines. In this context, the Company is aware that digital transformation cannot progress without going hand in hand with cybersecurity. Cyber-attacks have grown exponentially, and their degree of sophistication and impact is increasing. Supported by the pandemic context and the exacerbation of the digital world, the design of digital security has become vital for its operational continuity.

In 2021, data-driven smart work and platforms were consolidated in the Company, allowing most of its employees to operate remotely, developing a new organizational paradigm that emphasizes cybersecurity. As cyber-attacks very often target the human factor, or use it as a bait, it became even more crucial for employees to take appropriate measures to make safe use of digital

resources and to recognize incorrect behaviors that may involve cyber risks and personal data breaches.

For the prevention and monitoring of possible threats, the Company has a Computer Emergency Response Team (CERT), a team composed of a group of experts in charge of managing cybersecurity incidents at a global level.

This team established a strategy to prevent cyber-attacks on the Enel Group's industrial and digital assets and critical infrastructures, maintaining a team in each territory and working in synergy and collaboration with them to respond to digital security threats.

CERT operates from eight countries, Chile being one of them, and has more than 20 cybersecurity analysts who work from a control room and can detect failures in the systems which may eventually be cyber-attacks. In case of any incident, they coordinate response activities in a collaborative manner among all territories.

CERT focuses on preparedness capabilities and has three main processes:



- 1. Cyber Incident Response: Through a systematic and structured approach to cyber security incident management, CERT and its internal stakeholders communicate continuously with each other. This approach delineates phases that describe the capabilities required to deal with a cyber-attack before, during and after it occurs.
- Cyber Threat Intelligence: Focuses on finding/detecting privileged information and translating it into useful actions to prevent, mitigate or manage a potential cyber incident.
- **3. CERT Information Exchange:** Allows internal stakeholders and, in some cases, external counterparts, to share privileged information while maintaining confidentiality and trust in the line of communication, preserving the confidentiality of the information.

When CERT detects any type of information security risk or incident, it analyzes and classifies it according to its seriousness. When the incident generates a crisis that affects business continuity, the company's profitability or its reputation, the Company immediately carries out the necessary actions, in accordance with existing policies on crisis management and security emergencies.

Enel Chile also has a Security Operation Center (SOC) that continuously -24/7- monitors events in IT systems, as well as traffic in communication networks.

The main activities carried out in 2021 by Enel Group's cybersecurity area were:

 CERT strengthened its methods to protect Enel Group's perimeter, both through the improvement of technological solutions in the Machine Learning field and through the

- permanent provision of training courses for employees (cyber exercises) in all Enel Group countries.
- In 2021, the Cyber Security Unit participated in the drafting of three World Economic Forum (WEF) reports on cyber resilience:
  - "Cyber Resilience in the Electricity Ecosystem: Playbook for Boards and Cybersecurity Officers".
  - "Cyber resilience in the electricity Industry: Analysis and recommendations on Regulatory Practices for the Public and Private Sectors".
  - "Cyber resilience in the electricity ecosystem: securing the value chain".
- The Cyber Security unit began to prepare cybersecurity courses for all Enel Group employees.

The most outstanding cybersecurity training and education initiatives of 2021 were:

- Training to enhance the cybersecurity skills needed in the professional environment. Most courses were conducted in e-learning mode, so that they could remain constant and always usable, offering an awareness-raising path that fosters internal capabilities on strategic issues, thus addressing eventual upskilling and reskilling needs.
- Awareness-raising aimed at all employees to reduce the risk of cybersecurity threats linked to human factors. TheRedPill Group tool was launched, providing different functionalities (challenges, simulated phishing campaigns and other contents addressing a wide range of cybersecurity topics) to strengthen, support and accompany the entire Enel population.

No incidents of non-compliance with physical or cybersecurity rules or regulations were recorded in 2021.





## **Protection of personal data**

#### 418-1

The General Data Protection Regulation (GDPR) of the European Union, in addition to the Law on the Protection of Privacy (Law No. 19628), impose compliance obligations for the Enel Group through the establishment of a Data Protection Office, whose main requirements include professional autonomy and independence.

Although these regulations are not applicable in Latin America, Enel Group chooses to raise the standards of personal data protection in each of its subsidiaries to go beyond what local regulations provide.

During 2020, Enel Chile continued to work on the implementation of a compliance model that foresees the figure of a <u>Data Protection Officer</u> (DPO), who reports directly and works in coordination with the holding DPO office.

The Personal Data Protection Governance Model provides the assignment of roles and responsibilities in this area to the first and second line of each Company, for the secure management of personal data and the applications that process the data, as well as of the follow-up and registry of all data processing performed in the Group. Compliance with security and data protection policies and controls apply to all employees and third-party contractors of Enel Chile.

The data processing operations that present the highest risks are subject to a data protection impact assessment, carried out with methodologies designed to international standards and in compliance with local law.

The DPO supports the general manager and the businesses so that processes and operations comply with privacy by design and by execution. S/he defines policies and operational instructions for the protection of personal data, including data protection in the codes of conduct and security measures with respect to third parties to whom Enel Chile delegates the management of personal data, and is responsible for contractual design, so that privacy standards and cookie regulation are included. Finally, the DPO manages security incidents affecting personal data in conjunction with the cybersecurity and information security functions.

In addition, the Company established channels to respond to the exercise of rights by the holders of personal data, and new and modern data protection compliance platforms were developed to ensure and demonstrate the Company's compliance with the legislation.

Furthermore, this role organizes training and dissemination activities for Company associates in personal data protection, and acts as a point of contact for the management of claims and provisions of the holders of personal data, the Data Protection Authorities and the Company.

During 2021, there were no substantiated complaints about breaches of customer privacy in Enel Chile.

## Information security

This year the Company worked on the design and implementation of control tools within the NERC-CIP regulatory framework and strove to strengthen the information classification and protection policy through a comprehensive information protection, data protection

and cybersecurity campaign, the first of its kind in the country. These tasks involved the Data Protection Office and cybersecurity units to address the risks of information processing in the different lines of business in Chile.

No security breach or incident of cybersecurity or security of infrastructure regarding customer or employee information were recorded in 2021. No fines were registered during this period.



Our ESG performance

# **Circular economy**



The circular economy is part of Enel Chile's Strategic Plan. The Company considers it as an accelerating element of the energy transition and the electrification of consumption. It is an accelerator because it drives decarbonization, as well as the efficient use of energy and resources in industrial processes. Along the same lines, the circular economy is a tool that aims to break down and analyze production processes throughout their life cycle, thus detecting the gaps between their linearity and their circularization potential. It is an important change that requires an internal review of the conventional way of thinking about the relationship between the business, the market, customers and the planet, integrating the principles of circularity to generate economic, environmental and social benefits. The circular economy is seen as a competitive advantage for companies that integrate it into their business model.

Specifically, the circular economy is presented as a paradigm shift that revolutionizes the way in which goods and services are designed, produced and consumed. The linear model based on raw material extraction, production and finally waste is a model that has generated irreversible impacts on the biosphere. For this reason, it is necessary to move from this linear model to a circular model based on eliminating waste from the design of a product or service, maintaining products and materials in use over time, repairing, reusing or recycling them and contributing to regenerating natural systems.

For the integration of the circular economy in the business model, Enel Chile has defined a team specializing in sustainability issues, which collaborates with all business lines to promote a change of perspective in all Company processes throughout the value chain, for which it has defined an action plan focused on four axes:





#### 1. Cultural change management

Disseminate information and create a culture of circular economy throughout the Company's value chain. The change of vision involves rethinking the engineering of a project, the purchase of a product or materials for the company's works, the construction processes and finally the long-term operation. The entire life cycle of Enel Chile's infrastructure or product or service must integrate a circular vision, which is why this axis is developed throughout the Company.

## 2. Link to the ecosystem

As the circular economy is a systemic objective, it is necessary to work towards collaborating and building networks seeking cooperation with different institutions and organizations, and work with them to define tools and processes to accelerate the circular transition in the country and in the region.

## 3. Circularity metrics

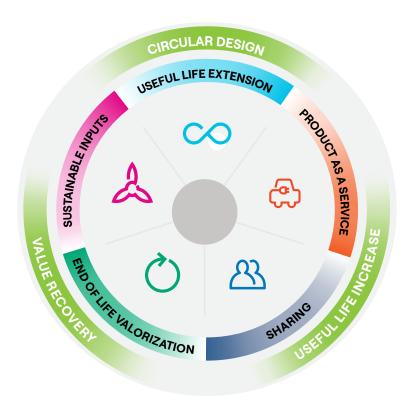
An integral part of the Company's circularity strategy is the metrics, the measurement of the impacts over the life cycle of an infrastructure, product or service. It is essential to define indicators and methodologies to improve environmental management and the economic performance of circular business models in the Company. In this sense, Enel Chile capitalizes on the work developed by the Enel Group with the creation of its own circularity measurement model called Circulability Model.

## 4. Transforming the value chain

Putting the circular economy into practice, demands a reevaluation of the value chain from the supply stage to the end of life, for which Enel Chile promotes innovation through this axis, integrating the 5 strategic pillars of circular economy in new business projects. This work has given rise, among others, to initiatives associated with incorporating reused







material in distribution infrastructures or giving new life spans to systems, parts or equipment of renewable energy plants. This design is based on the integration of five pillars that promote circular economy

- **1. Sustainable inputs:** Incorporate renewable energies, renewable materials, biomaterials, reused and recycled materials as inputs.
- **2. Life extension:** Design and management of a product in such a way as to extend its useful life and facilitate re-use in consecutive cycles, e.g., through modular design, repairability or predictive maintenance.
- **3. Product as service:** Business model in which the customer acquires a service for a limited period, while the company maintains property of the products used to provide it, therefore maximizing the utilization factor and seeking to extend their useful life.

- **4. Shared use platforms:** Use among multiple users of an underutilized product, increasing its use factor. Can be supported by information technologies.
- **5. New life cycles:** All solutions aimed at preserving or increasing the value of a product at the end of its life cycle thanks to reuse, regeneration, upcycling or recy-cling.

Finally, integrating the circular economy into the Company's business model can have an important effect on mitigating environmental risks linked to the vulnerability of the biosphere, as this model seeks to decouple growth from the extraction of non-renewable resources (raw materials and fossil fuels), recovering the natural ecosystems that form the basis for the prosperity of the planet, society and the economy.





# **Cultural Change Management**

## **Enel's LATAM Circular Economy School**









In 2021, the Group held the second and third editions of Enel's LATAM Circular Economy School, with more than 200 professionals in attendance, heading from all business lines and from 7 countries (Argentina, Brazil, Colombia, Costa Rica, Chile, Guatemala and Peru). The objective of this School is for employees to have the chance to incorporate a comprehensive circular economy strategy into their activities, therefore becoming managers of change.

The theoretical and practical program, which involved more than 20 experts in circular economy and public and private entities, covered strategies, circular design, business models, metrics, finance, governance and circular cities. Additionally, a workshop using a methodology known as circular design thinking, resulted in the drafting of more than 150 circular ideas.

The LATAM Circular Economy training program contributes to the achievement of the Sustainable Development Goals, mainly: SDG 4, Quality Education and SDG 12, Responsible Production and Consumption. It also contributes to SDG 9, by addressing issues of Industry, Innovation and Infrastructure; SDG 11, through the area of sustainable cities and communities; and SDG 17, since its implementation involves different stakeholders for the organization and participation of different countries, business lines, companies and the public sector.

At the same time, two editions of the Circular Economy Open School were held, an instance of dialogue available to all stakeholders in Latin America. Each edition included four sessions that covered key contents to understand the circular economy: finance in the energy transition; social impacts of the circular economy; the role of innovation for the circular economy and circular cities within the framework of COP26.









# The journey of the Conscious Consumer

Enel Chile's employees created a program called The Journey of the Conscious Consumer aimed at raising awareness of the environmental impacts of individual consumption decisions. This program devised a five-station circuit focusing on: Climate Crisis, Consumption, Food, Clothing and Conscious Mobilization. At each stage, a video describes the main negative impacts of human behavior on the planet and proposes simple actions that produce change.

During 2021, 15 Enel Chile employees and their families joined this journey, participating in conversation and reflection sessions that addressed their consumption habits and committing to concrete actions in the short, medium and long term to migrate to more sustainable

habits. Subsequently, they took on three specific challenges: consuming package free options, composting organic residues and eat 100% natural choices.

To encourage participants to act on their commitments and achieve their goals, they were accompanied at each stage. For example, they received packaging free shampoo and solid balms, were linked to a home composting service and presented with a basket of local and seasonal organic food. The participation of these 15 employees and their families generated significant environmental benefits. After six months, almost three tons of organic waste were composted, avoiding the generation of more than two tons of CO<sub>2</sub>, more than 200 kilos of organic and local food were consumed, and more than 180 plastic bottles were avoided.

This initiative reduces the negative environmental impacts of the consumption habits of Enel employees in Chile, and thus contributes to SDG 12, Responsible Consumption and Production; and SDG 13 Climate Action.

#### **Circular Coffees**

Since 2020, the Company has been developing *Circular Cafés*, monthly meetings that in 2021 brought together 399 participants to learn from and talk to internal and external specialists, to reflect on topics that contribute to solving the challenges of moving towards a circular economy.

During 2021, there were 7 *Circular Cafés* that featured more than 15 experts on proposed topics of interest to the business lines, such as: circular flow of materials, circular cities, green hydrogen, decarbonization, Chile's circular economy roadmap and circular suppliers, among others.



# Metrics for the circular economy

Our ESG performance

## **CirculAbility Model**

Enel Chile has applied the CirculAbility model since 2018. This is a system that is based on the measurement of the material and energy flows required for operations and incorporates the five pillars of the Company's circular economy strategy. CirculAbility values innovative solutions that help increase the useful life and utilization factor of products.

Through this model, the Company is pioneering the measurement of circularity, making it possible to calculate indicators to evaluate the current state of circularity, as well as to identify critical points and plan improvement actions.

These indicators are:

- Circularity index (%)
- Circular input (%)
- Circular output (%)
- Unit resource flow (kg/MWh)

The following is a summary of the main benefits provided by the circular economy projects developed by the business lines in 2021:

Avoided virgin input (tons)	Water saved (km³)	Energy saved (GWh)	Reclaimed tailings (km³)	Recovered ma-terials (tons)	Emissions avoided (CO <sub>2</sub> e tons)
10,930	47	3,003	2,126	5,949	1,425

#### **Metrics Seminar**

In September 2021, Enel Chile together with Sofofa HUB and HUB EPD® Latam organized the webinar Metrics to Accelerate the Circular Economy in the Company. This activity was attended by experts from different industries, organizations and international research centers that are analyzing and developing metrics for the transition to the circular economy. It was also attended by more than 300 people, who were able to reflect on the potential links between the metrics of the circular economy, other complementary methodologies and the opportunities they offer to adopt more effective strategies to mitigate climate change.





# Transforming the value chain

Enel Chile is integrating, at different stages and levels, the principles and strategic pillars of circular economy, incorporating new processes, creating innovative initiatives and measuring their impact. Some of the most outstanding relevant initiatives are described below:

Project	Description	KPIs 2021	Main pillar
Enel Generación Chile			
Circular wastewater management	Sale of wastewater from the cooling towers at the San Isidro plant, to be valorized in third party processes. This allows us to reduce or avoid the purchase of fresh water from external suppliers, use water from our own wells and, at the same time, give a productive use to RILes (Liquid Industrial Waste).	<ul><li>2.1 Mm³ RILes sold.</li><li>0.04 Mm³ avoided purchase of water</li></ul>	New life cycles
New Life project	Establishes a circular strategy to give new life to equipment and spare parts, while optimizing warehouse stock and the supply chain of thermal plants. This initiative began in coal-fired thermal plants that are in the process of closing.	27 tons of recir- culated materi-als	New life cycles
Enel X Chile			
Domestic hot water service	Improves the efficiency of domestic hot water systems in multifamily buildings via the incorporation of maintenance services and an energy management system, giving the client operational savings.	0.1 thousand tons $CO_2$ avoided.	Product as ser-vice
Electric charging infrastructure as a service	Public and private terminal located in Enea, Santiago, owned by Enel X Chile, which allows the development of the circular business model product as service. An 8-year contract with customers that allow the use of the terminal during established hours, remaining available for other uses during the rest of the day. This model opens the possibility of further commercial agreements with other companies. Additionally, the Company has already planned for the expansion of more chargers for private vehicles (B2C).	313 MWh energy sold as a service 0.1 thousand tons CO <sub>2</sub> e avoided	Product as ser-vice
Replacement of luminaires to LED technology	Replacement and maintenance service of 16,815 luminaires, allowing 37% energy savings. The removal of Sodium and Metal Halide luminaires adds up to 150 tons of aluminum and plastic, which are prepared for recovery. The project also takes advantage of the existing concrete poles, avoiding the con-sumption of 10,930 tons of concrete.	11 thousand tons of material avoided  0.15 thousand tons of recycled material  3,003 MWh saved 1.1 thousand tons CO <sub>2</sub> e avoided	New life cycles
Enel Distribución Chile			
Reverse logistics of materials withdrawn from the network	This service manages all the materials removed from the network, generating income from their market value via the recovery of decommissioned trans-formers, cables and scrap metal.	0.7 thousand tons of recycled material	New life cycles
Circularity of con-crete poles	Every year about 4,000 damaged concrete poles are disposed of in landfills. This material is currently being used in the form of gravel as a material for civil works. During 2021 laboratory tests were conducted to demonstrate the feasi-bility of using it as artificial aggregate in the manufacture of new poles and it is expected that from 2022 the first 500 poles can be manufactured with 45% circular aggregates.	5 thousand tons of recovered material	New life cycles





## Collaborating with the ecosystem

One of Enel Chile's goals is to participate and collaborate actively in instances that promote the development of the circular economy in the country and sector. Therefore, the Company joined the Secondary Markets Technical Roundtable for the Development of the Circular Economy Roadmap led by the Ministry of Environment and the Eurochile Business Foundation, which aims to draw a roadmap to move towards this new economic system by 2040.

Enel Chile also participates as a national expert in the ISO TC/323 Mirror Committee for the definition of an international standard (ISO) on circular economy, which is being developed by experts from 79 countries around the world. In Chile, this effort is led by the National Institute for Standardization.

In 2021, Enel Chile joined 14 other companies from different sectors in the sectorial diagnosis for the drafting of the Clean Production Agreement "Moving towards a circular economy". At the event, experiences were shared, and

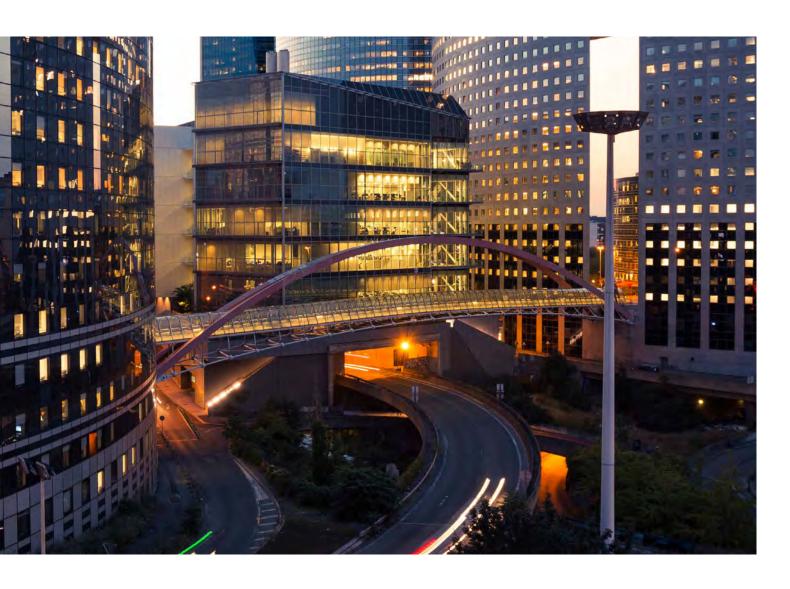
strategic information was provided for the formulation of methodologies, goals and actions that would allow companies of goods and/or services in all sectors to make the circular transition.

In addition, the Company has signed a collaboration agreement with the Universidad del Desarrollo to carry out joint research and promotion projects on the circular economy, with special emphasis on the application of circularity metrics and the study of circular cities.

Likewise, in 2021 The Company became a strategic partner of the Sofofa Hub, which was created in 2019 as a collaborative ecosystem by the Sociedad de Fomento Fabril (Sofofa, a Chilean industrial association) to bring together the country's leading companies to address business challenges collectively. Within this framework, the Company became part of the <a href="SCALE 360">SCALE 360</a>° initiative, the global platform promoted by the World Economic Forum (WEF) to accelerate the impact of the fourth industrial revolution in the transition to a circular economy.







## **Circular cities**

Enel Chile has placed the circular economy at the center of its global strategy and is strongly focused on the circular city vision, in a bid to improve people's quality of life and move towards Net Zero. Cities are large consumers of resources and as such, are responsible for more than 70% of global  $CO_2$  emissions; therefore, they are also a key starting place if the energy transition process is to be accelerated. This is possible through the progressive electrification of energy consumption, while simultaneously working towards a carbon neutral electricity industry.

This is expressed in the positioning document <u>Circular Cities</u>. <u>Cities of Tomorrow</u>, which contains Enel Group's vision, highlighting its contribution not only in terms of commercial solutions and services, but also as a leader in theoretical thinking. Along these lines, Enel Chile signed a cooperation agreement with Universidad del Desarrollo to carry out joint research projects and promote the circular economy, with special emphasis on the application of circularity metrics and the study of circular cities.

Cities are complex systems and need to be treated as living organisms that require energy and material and information flows, which are essential to their development. Being relatively new concepts, it is important to understand that there is a basic distinction between the smart city and the circular city. The smart city concept focuses on the role of information technology, while circular cities have a more holistic orientation, incorporating all dimensions and aligning them with established objectives of competitiveness, environmental sustainability and social inclusion.

Enel believes that circular cities represent the only opportunity to push cities towards sustainable development, addressing the changes that will put an end to a linear model and culture that have generated significant impacts on the biosphere.



# **Digital transformation for cities**

In 2021, the international seminar *Digital transformation for circular cities, Iquique 2021* was held. With around 1,300 attendees, this was an open-call instance that lasted three days and was led by 11 institutions, Enel Chile among them. Its objective was to promote the transformation of the city of Iquique and the Tarapacá Region as a benchmark of circularity, under a digital transformation model that promotes industry and drives entrepreneurship and innovation to generate economic, social and environmental value for its inhabitants. This meeting also gave life to the Circular Academy, a virtual space to learn about various topics of circular economy, dictated by different national and international key players.

## **Play Energy**

Focusing on the development of circular cities, <u>Play Energy</u> was launched in 2021. This is a contest for young people between 14 and 20, consisting of seven challenges that encourage them to rethink the cities in which they want to live. This contest closed in 2021 with the participation of representatives from Argentina, Brazil, Colombia, Greece, Italy and Peru. In Chile 519 young people participated in this initiative.

# Clean Production Agreement (APL, by its acronym in Spanish)

At the end of 2020, Enel Chile began collaborating with the sectorial diagnosis that led to the Clean Production Agreement *Transition to a Circular Economy*, a process that seeks to guide the creation of strategies and actions for companies to move towards a circular economy, defining a roadmap focused on production processes and the incorporation of new business models based on collaboration between actors. This agreement is promoted by Acción Empresas, together with other representatives of various product and service industries, including the country's electricity sector.

On the other hand, Enel Chile, together with different business lines, gathered relevant information for the sectorial diagnosis. In the first stage, the Company gave a qualitative description of the material and energy flows of some processes that were deemed representative of the business. This served to obtain a baseline of the Group's circularity and from there, to formulate goals so that participants of the Clean Production Agreement can increase their circularity.

# **Ecoimpacta: Urban Tree Challenge**

At the end of 2021, Enel Distribución Chile together with CORFO launched the open innovation challenge *Circular leaves and branches*, a call to local entrepreneurs to present innovative solutions that respond to the sustainable recovery of the waste generated by the pruning of trees adjacent to distribution lines, and to do so with a circular economy approach. Currently, this practice produces 2,000 tons of plant matter which are being transformed into compost,

biofuels and biofilters. Among three finalists, the startup Smart Bricks was chosen as the winner. It put forward its biodegradable technology that agglomerates organic matter to create high-quality design products that replace more polluting traditional alternatives. As a recognition, this startup will collaborate with Enel Distribución Chile in the implementation of a pilot project during 2022.





# Occupational health and safety

103-1 | 103-2 | 103-3



## Primary material issue: Occupational Health and Safety

#### How is it managed?

Enel Chile applies a "Zero Accidents" goal when planning its actions. Every decision takes into consideration the protection of people's health, always keeping a preventive approach that aims to minimize risks and promote workers' health and wellbeing.

To this end, the Company has an Integrated Management System and a plan that includes four main lines of work:

- Operational control
- Digitization and process analysis
- Culture and training.
- Culture in safety.

This Plan is updated annually, and it covers employees as well as contractors that operate in each of the lines of business, with a view to continuous improvement.

#### Importance of good management

The essence of a sustainable business and of Enel Chile is to ensure the wellbeing, integrity, health and safety of people, placing people at the center and as the foundation of its Strategic Plan.

The safety of people is a determining factor, as it constitutes a Company value and is one of the guiding principles of the <u>Code of Ethics</u> and the <u>Human Rights Policy of Enel Chile</u>. At the same time, this matter has a significant impact on the operational continuity of the business, thus ensuring the Company's value creation. In addition, ensuring the safety of people contributes to the welfare and development of employees and their families, who are pillars of society.

At Enel in Chile, the main risks are associated with operational activities in the generation plants and in the infrastructure and distribution networks. During the last two years, the containment of the health crisis caused by Covid-19 was an extra area of concern.

On the other hand, the health of employees, contractors and stakeholders is liable to suffer from non-compliance with laws, regulations and procedures applicable to workplaces, or from mismanagement of structures, assets and administrative processes.

#### **Material issues**

- Promoting employee health and wellbeing.
- Safety of employees.
- Safety of contractors operating at Enel sites.
- Respect for human rights in matters pertaining occupational health and safety.



#### Sustainable Development Goal



### Principles of Human Rights Policy



#### World Economic Forum Risks



# **Goals and challenges**

ODC	A salisitas (see al	Goal Plan	Results	Goal Plan
ODS	Activity/goal	2021-2023	2021	2022- 2024
3	Accidents among Enel workers.	Maintain at Zero	Zero	Maintain at Zero
3	Accidents among contractor workers.	Reduce accident frequency rate compared to previous year	0.88	Reduce accident frequency rate. Accidente.
3	Extra safety checking on site.	12 en 2021	16	10 in each year

How do the Principles of the Human Rights Policy apply		
Rejection of forced or compulsory labor and child labor	Enel Chile rejects the use of any form of forced or compulsory labor, slavery and human trafficking. In addition, the implementation of its occupational health and safety <a href="strategy">strategy</a> ensures respect for safety conditions in the workplace.	
Health, safety and welfare	Enel Chile is committed to developing and disseminating a solid culture of health, safety and wellbeing throughout the Company. To this end, it develops programs for the pro-motion of health and wellness, and safety, seeking to ensure that workplaces are free of health and safety hazards.	
Fair and favorable working conditions	Every person working at Enel Chile has the right to working conditions that respect their health, safety, wellbeing and dignity. For this reason, the Company works with a pre-ventive approach based on the compliance with its occupational health and safety <a href="strategy">strategy</a> .	
Respect for the rights of communities	Enel Chile is responsible for ensuring that its products and services are designed to safe-guard the safety and physical integrity of its customers, to a reasonably foreseeable extent. To this end, it develops periodic campaigns for community and <a href="mailto:third-party-safety">third-party-safety</a> .	





## **Strategy**

Enel Chile ensures respect for occupational health and safety conditions in the workplace. In this line, the Company works with a preventive approach, promoting a safety culture based on risk awareness and encouraging self-care and responsible behavior of employees. To this end, it holds informative sessions, training and other activities for employees, among other activities.



#### The Enel Group's Statement of Commitment to Health and Safety guides the work in this area and its main focal areas are:

- Adoption of the best safety norms and standards, in addition to compliance with regulations.
- Ongoing commitment from senior management to promote a strong safety leadership culture.
- Continuous improvement of the Health and Safety Management System, in accordance with new international standards and industry best practices.
- Reduction of accidents and occupational diseases through the implementation of measures and programs, as well as the verification of their efficiency and effectiveness.
- Assessment of health and safety risks, using a systematic approach to eliminate them at source or, wherever not possible, minimize them.
- Implementation of quality-based work methods through training, to reinforce technical and safety aspects.
- Promotion of information initiatives to communicate and consolidate a culture of health, safety and organizational wellbeing.
- Promotion of safe and responsible behavior at all levels of the organization.
- Adequate design of workplaces, and supply of equipment and tools to ensure greater safety, comfort and wellbeing for work activities.
- Selection and management of suppliers and contractors, encouraging their participation in health and safety continuous improvement programs.
- Constant focus on communities and all those who work at or are in contact with Enel Chile's activities, through the promotion of a culture of health and safety protection.
- Annual definition of specific measurable objectives with continuous monitoring



## Strategic management pillars

Health and safety management at Enel Chile and its subsidiaries is based on the following four pillars:



Audits and inspections, tracking indicators, permitting, nonconformities and action plans are carried out.

#### Main activities:

Safety inspections; evaluation of contractor companies; Extra checking on site (ECoS); analysis of accidents or incidents; and contractor company performance evaluation groups.

# Digitalization and process analysis

Improvements are made to processes by learning from incidents, detecting causes, and defining across-the-board improvements; preventive tools are also used to identify and assess risks; and the set of computer tools to support the complete HSEQ cycle is implemented and developed.

#### Main tools:

AIDA, SHE Start, APP 5RO and Wise Follow applications.

# Culture and training

It guides the behavior of the organization and its employees towards the goal of "Zero Accidents," reinforcing the Company's commitment to safety. To do so, the sense of self-care and the value of leadership are reinforced.

#### Main campaigns:

Safety Walks, weekly safety talks, meetings with contractors, among others. Additionally, to ensure that operating personnel are accredited in terms of competencies, a qualification process is established through the Center for Operational Excellence (CEO) and the IT platform.

#### 4 Safety culture

Strengthening the commitment to safety culture for all levels of the Company by defining the standard of behavior required by all people working at Enel in Chile.

#### Main campaigns:

Actions to eradicate unsafe behavior, consistent with the Company's global programs. This is done with ongoing communication with employees, working together to collect concerns and share best practices.

Self-care is encouraged and safety is integrated into all business processes. Operational (CEO) and the IT platform Wise Follow.

In line with the Company's commitment, the **Stop Work** policy is applied, which promotes precaution and self-care in situations of health, safety and environmental risks among employees and contractors. Any activity that poses a risk to people can be intervened or stopped, and any unsafe behavior or any omission or situation that could lead to a potential accident must be reported. It should be noted that, in the event of an unfounded alert, **Stop Work** notifications have no consequences or penalties for whistleblowers.





## Occupational health and safety governance

#### 403-1 | 403-8

Enel Chile's Health, Safety, Environment and Quality (HSEQ) management was created in 2021 with the objective of supervising, guiding, coordinating and promoting good practices within the Group in Chile, as well as identifying opportunities for improvement and risk reduction. Each business line has a manager in this area who reports directly to the board of directors of the Company.

The HSEQ management is responsible for the Occupational Health and Safety Management System, which is certified

under the ISO 45001:2018 standard (replacing OHSAS 18001), for the entire Company, and is also part of the Integrated Management System.

Additionally, this area promotes programs and good practices related to environmental care, to generate opportunities for improvement and ensure a continuous commitment to reducing risk and exposure.

## Occupational health and safety risk management

403-2

Enel Chile drafted and continues to apply its Policy 106 "Classification, communication, analysis and reporting of incidents", which defines functions and protocols for the timely communication of accidents, the process of analyzing the causes, and the definition of improvement plans and their monitoring, all according to the type of event involved. The events that endanger the integrity of workers are previously identified in the corresponding risk matrices for each activity. These matrices indicate the controls that must be adopted to mitigate such risks, as well as the training, courses or education required to perform more complex or high-risk tasks.

The correct adoption of control measures is permanently monitored through inspections of the operational activities at the works in progress.

Regarding the type of risks, the most common high risks are generated in activities involving intervention in electrical installation networks, confined spaces or overhead networks; During 2021, more than 38,000 inspections were carried out and other one-off projects aimed at verify-ing risk control were also developed.

and in activities requiring work at heights, mainly in technical and commercial operations of the electrical network, such as maintenance of public lighting and installation of closed-circuit television. In the case of generation, there is risk related to geographic height.

In addition, the current context incorporates an increased risk of Covid-19 infection due to the exposure of employees supervising and performing field work. To this end, global and local pandemic policies and procedures have been strictly enforced.



# **Promoting health and wellbeing**

403-3 | 403-4 | 403-6 | 403-7

Enel Chile is committed to the integral health of its employees; therefore, it is concerned with promoting their care by encouraging healthy lifestyles.

#### **Health benefits**

Throughout 2021, Enel Chile carried out several initiatives related to employee health and safety.

A total of 167 preventive examinations and medical check-ups were performed, mainly in the first quarter and towards the end of the year. Also, during the year, preventive campaigns were carried out to help employees look after their health..

#### Preventive health and self-care campaigns

403-3 | 403-10

The Company has carried out the following monthly campaigns:

March	Anti-stress campaign
April	Influenza campaign
May	Anti-smoking campaign
June	Colon and gastric cancer campaign
July	Viral and respiratory diseases campaign
August	Heart health campaign
September	Cervical and prostate cancer campaign
October	Breast cancer campaign
November	Healthy eating campaign
December	Skin cancer campaign

Additionally, there have also been communications campaigns on issues such as cerebrovascular accidents (CVA), diabetes, breastfeeding week and vision care. Monthly self-care training sessions were also held to minimize accidents and meetings were held with contract managers to analyze statistics and best practices.

It should be noted that Enel Chile did not record any cases of occupational ill health or fatalities due to occupational diseases, both for employees and contractors.







# **Promoting safety**

403-7

#### **Programs applied across all Enel Chile's businesses**

#### **Extra Checking on Site (ECoS)**

This program evaluates the pertinency of the organization and its processes in specific areas of operation through an "additional check-up" or ECoS, carried out by a group of expert professionals. This assessment verifies the correct application of procedures, working condition of safety equipment, behavior, risk management and emergency support teams. The check-up also identifies issues with

the execution of the tasks and action plans are designed to correct the gaps.

Business line	ECoS Safety
Enel Generación Chile	6
Enel Distribución Chile	4
Enel Transmisión Chile	1
Enel X Chile	5
Enel Chile Total	16

#### **Safety Walk**

The Safety Walk is an activity carried out by Enel Chile executives, where they inspect and evaluate the safety conditions in the Company's operations. The walk and its findings are recorded via a form available through a mobile application, and then a report is issued. This activity is designed to promote on-site leadership, and it is essential that the people involved demonstrate sincere and genuine care for people, to achieve a safety culture in line with the Company's commitments. This activity is carried out at least once a month in all Enel Chile subsidiaries.

Regarding Enel X Chile's business line, which operates outside Company facilities -usually on third-party locations-, this program contributes to transfer good practices to contractors. In 2021, Safety Walks were held both at the operation's base and on field sites.

Business line	Safety Walk
Enel Generación Chile	6
Enel Distribución Chile	77
Enel Transmisión Chile	10
Enel X Chile	1
Enel Chile (Staff and GDS areas)	2
-	-

## **Preventive safety campaigns**

- January April: Covid-19 campaign
- May: Protect your hands campaign
- June July: Home accidents campaign
- September: Prevention campaign for national holidays and UV protection





## **Periodic safety talks**



# **Programs at Enel Generación Chile**

#### **Enel Index Asbestos Program and App**

The Company designed a mathematical methodology to trace information and provide evidence for the need to eliminate or confine an area containing asbestos in power plants, to safeguard places that still have this insulating material. This monitoring is controlled through an application and enables the site manager to collect real-time information of the entire process and closely inspect the places that still feature this material.

Parameters used to evaluate the state of preservation of asbestos-bearing spaces are air dispersion, state of preservation, friability<sup>9</sup>, ventilation, asbestos content, insulation and ratio between damaged surfaces and insulation integrity.

It should be noted that, in 2021, the medical surveillance plans were resumed, after the Chilean Ministry of Health suspended them in 2020, due to the pandemic.

#### HSE (health, safety and environment) report

To optimally manage and analyze Enel Generación Chile HSE activities and share good practices among different projects, the Company drafts periodic reports detailing the status of each activity and its respective plans, promoting health, safety and welfare in all operations. To this end, the following actions were performed:

- Preparation of daily, weekly and monthly reports on the various activities in each Enel Chile facility.
- Permanent work based on the plans drafted by the Company, and follow-up of the HSE Program for each facility.
- Incorporating new reporting tools through the web platform that provide online KPIs for the different plants and projects, for constant monitoring. This approach generates preventive diagnoses and develops action plans based on the results.

<sup>9.</sup> According to the DS 656/2001 standard, it prohibits the use of asbestos in products that it indicates, it defines friable asbestos as asbestos mineral that is free, in sleeves or packages, in crumbled condition. in sleeves or packages, in conditions of crumbling.





## **Legal checklist**

The purpose of this program is to review compliance with the legal requirements for sanitary conditions at projects under construction, thus reducing the risk of fines and stoppage of activities due to summary proceedings. A checklist is prepared for each of the legal aspects that apply to the sites where there are projects under construction, assigning a value to their compliance and action plans to those that present deviations.

In 2021, a checklist was generated to verify compliance with the protocols related to the pandemic, anticipating the quarterly visit of the mutuality that oversaw the Covid-19 seal of approval.

At the central level, all Enel Chile's facilities performed their own reviews, detailing observations and status.

## **Safety Moving Pool (SMP) Program**

This is a support methodology to do a safety checklist at the sites. It is carried out during major maintenance or overhauls by specialists from different areas and Operation and Maintenance personnel with exclusive dedication. Its purpose is to reduce accident and injury rates in maintenance works, by providing a consultancy from a technical specialist with a focus on health and safety.

Safety Moving Pool centers around support and control of safety actions during maintenance checks, without interfering with the activities of in-house personnel or contractors.





# **Programs at Enel Distribución Chile**

## **Digital Security Inspections**

To improve the quality of data related to health and safety in the commercial area, we developed a digital inspection form available in mobile or web applications. This tool can be used for field activities and in commercial offices, to record the observations of the inspections and ease their processing. The app centralizes the information and makes it available in a single place for each user, avoiding transfers and possible loss of data. In short, the digitalization of information through

As a result:
40 users trained
502 digital inspections

this application allows for the extraction, accounting and analysis of data, facilitating plans and protocols to improve processes.

#### **Safety indexes Enel chile**

403-9

#### **STAFF Enel Chile**

Lost Time Injuries (LTIs)	Fatal Accidents (FAT)
2021	2021
2020	2020
0	0
Life-changing accidents (LCA)	Lost Time Injury Frequency Rate (LTI FR)
2021	Lost Time Injury Frequency Rate (LTI FR)
2021	2021

The combined Lost Time Injury Frequency Rate (LTI FR) among Enel Chile's employees and contractors increased over 2021, with a total of 24 injuries per million hours worked, a figure that is about 46% higher than in 2020.

#### **STAFF Contractors**



Likewise, in 2021 there were 0 high potential accidents (HPO), both for Enel Chile employees and contractors. This represents a decrease compared to 2020, where there were 3 HPOs for contractors.





# Developing a safety culture: training and information

403-5

During 2021, more than 2.4 million hours of training and information on health and safety for employees and contractors of Enel Chile and its subsidiaries were carried out in the area of health and safety. For this, platforms such as webinars, online and face-to-face courses, videos, shadowing, among others, were used.

More than 1.8 thousand contractors working for Enel Chile received training and information on health and safety from their employer.

## **Leaders in Safety program for supervisors**

The Leaders in Safety program for supervisors is designed to provide the necessary tools and competencies to risk management and control specialists, for them to plan safety contacts with work teams. To further develop the safety culture in the company, the program seeks to improve the competencies and soft skills needed for safety inspectors and activity managers to carry out their duties successfully.

During 2021, the program was divided into four specific training modules, which were delivered in four sessions. Each module included the participation of interdisciplinary groups that developed dynamics and case studies. Throughout the year, 12 Enel employees and 16 employees of Enel X Chile's contractors completed the program.

#### **Electrical Hazards under NFPA 70E**

In 2021, an Electrical Risk training course was held, based on the Standard for Electrical Safety in the Workplace, NFPA 70E. This course, which lasted 90 hours, was attended by all health and safety specialists of infrastructure and network, I&N Fnel Chile.

# Certified Courses with the Law Administration Agency

A plan of activities to be developed in conjunction with the Chilean Safety Association (ACHS) as the administrative body of Law No. 16,744, which establishes rules on Occupational Accidents and Occupational Diseases, was drawn up. These activities included weekly meetings, delivery of updated information in accordance with current regulations, monthly

meetings with the Joint Committee and the Psychosocial Committee, as well as the delivery of information of interest to employees.

#### Stop Work training

Through the SHE Factory program, employees and contractors were trained in the Stop Work Policy, which resulted in the stoppage of certain activities during 2021 due to a lack of protective elements related to the Covid-19 crisis, such as face masks and alcohol gel.



#### Safe Route campaign

This campaign aimed to reduce commuting accidents, contribute to the control of unsafe actions and inform about commuting to the plants. Some of the most important activities during 2021:

- An instruction manual was prepared analyzing all possible routes to the facility from the different districts in the region. Special emphasis was placed on the sectors with the most traffic and the danger of permanently having to deal with trucks on the road.
- Due to the long driving time of approximately one and a half hours from Antofagasta to the project and vice versa, and to mitigate the risks associated with drowsiness and/ or possible collisions due to lack of attention while driving, the ANDAS System has been implemented, which equips the vehicles with a video camera, a distance sensor and a personalized route alert.



- A Critical Route Plan was developed in Renaico II, for which a survey was carried out with a drone to identify critical points, curves and signs, to create an instruction manual on safe driving and share it with all personnel, both inhouse and subcontractors.
- The Los Cóndores project route application or App was launched, where the risks of the road are alerted while driving.

# Supply chain safety

Working with contractors is a determining factor in the Company's health and safety strategy, which is why these aspects are integrated throughout the process. Their performance is measured and monitored both at a preliminary level in the qualification system and throughout the life of the contract. This is done through exhaustive and extensive controls reported through the Supplier Performance Management (SPM) tool.

This supervision allows us to support suppliers and contractors in identifying areas for improvement in the areas of safety, environment and quality, to seek continuous improvement and optimization of their performance.

# Safety in the supply chain

#### 1 Fatal Risk Index (FRI)

An indicator that classifies contractors based on their safety performance, considering the number and severity of accidents and findings during safety inspections. It enables early detection of operational safety deficiencies in contractors to target actions and prevent accidents.

## **Supplier Safety Assessment**

Specific audits performed at suppliers' facilities. They are carried out at the start of qualification for each new company or in critical cases, such as severe and/or fatal accidents during the contract period.

The purpose of the assessments is to guarantee appropriate security standards and that commitments are made to address any gaps, if necessary.

#### Contractor Safety Assessment Safety Support Team (CSA)

This initiative seeks to thoroughly evaluate contractors identified as high-risk to verify compliance with the occupational health and safety management system. This qualification is based on a mathematical calculation to obtain the partner company's level of occupational health and safety.

Support team of safety experts employed by Enel, which aims to support contractors with a low CSA assessment. It helps to conduct an analysis of their occupational health and safety management, with action plans, follow-up meetings, and a final assessment to measure results. The process is carried out through Enel's WeBuy platform, where several areas interact in the assessment, seeking a uniform and balanced measurement. This preliminary qualification is used by the procurement area in tenders of works or services.

<sup>\*</sup> Purchasing product categories: Product categories (materials, labor, services) of interest to Enel and subject to a qualification and registration process.





#### **Contractor Safety Assessment (CSA)**

Business line	Contractor Safety Assessment (CSA)
Enel Generación Chile	50
Enel Distribución Chile	41
Enel Transmisión Chile	
Enel X Chile	11
Enel Chile Total	102

## **PartnerShip project**

Joint inspections carried out with contractors with the lowest evaluation in the Fatal Risk Index (FRI). These inspections involve collaborators together with the business lines and seek to detect the main deviations in the execution of the activities that occur on-site, to share them with all contractor workers

In 2021, improvements were implemented, mainly in the control of tool maintenance, the correct use of Personal Protective Equipment (PPE) and the updating of procedures and risk matrices specific to the different activities.

## **Center for Operational Excellence (CEO by its acronym in Spanish)**

The CEO is a high-level technological training center specializing in the electrical field, focused on occupational safety and quality of the services offered by Enel Distribución Chile and Enel X Chile, and has been supporting operations since 2020.

Located in the municipality of Lampa, it is a full-scale facility created for the development of technical skills oriented to the electric power distribution service, whose main objective is to achieve a commitment to zero accidents, operational excellence and high standards of service in all construction, operation and maintenance activities of the low, medium and high voltage electrical network, both overhead and subway. It also features a space where the different solutions of Enel X Chile are located, such as installation and testing of air conditioning products and solar panels, and will also offer charging points for electric vehicles, among others.

Business line	Center for Operational Excellence (CEO)	
Enel Distribución Chile	Participants: 3,452 contract workers.	
	<b>Technical training:</b> 1,404 external collaborators.	
E 17 01 1	Participants: 90 contract workers.	
Enel X Chile	Technical training: 60 external collaborators.	

# Reinduction and qualification of contractor personnel at the Center for Operational Excellence (CEO)

In 2021, 2,048 people were qualified in Enel Distribución Chile, 1,696 in the Operation Regional Area process, 282 in Customer Engagement, 70 in Network Operation & Maintenance. While 60 people were qualified in Enel X Chile.

**102** people participated in reinduction processes: 85 in the Operation Regional Area process and 17 in the Customer Engagement process.

For high-risk operational activities, new per-sonnel must go through an induction and qualification process, having to complete a series of stages before starting field work. For current contracts where incidents or findings are detected during safety controls, a process of re-induction and revalidation of the per-sonnel involved is carried out to ensure that technical competence and correct behaviors are understood and correctly applied by the people involved.



## **Safety inspections with contractors**

It consists of a monthly and weekly program of inspections in different activities and for different contractor companies, with the objective of supervising field compliance with safety standards as defined by the Company. The inspections contribute to the detection of trouble areas, and their management and analysis, allowing Enel Distribución Chile to take corrective and preventive actions against the occurrence of potential accidents.

Enel Generación Chile carried out more than 13 thousand inspections in 2021, which have detected the main deviations, non-compliance with work procedures, disorder in work areas, problems with waste classification, lack of classification and signage in activities and incorrect disposal of Covid-19 Personal Protection Elements (PPE), among others.

## Monthly HSEQ meetings with Enel X Chile contractors

In 2021, monthly meetings were held with the risk prevention department of all Enel X Chile's contractor companies, in which findings, incidents, accidents and related issues concerning the health and safety of workers and the companies themselves

were reviewed. These meetings seek to constantly promote a safety culture by reviewing specific and relevant topics with the collaborators who are part of the operation, also allowing to maintain a fluid communication with contractors.

# Digitization of safety management

#### Wise Follow

This is a platform for operational controls through an application for cell phones, which makes the execution of various processes more efficient and rigorous, and subject to online monitoring and reporting. During 2021 the use of paper was eliminated for inspections and for all copies of documentation of companies and workers. Among other processes, the Wise Follow platform allows to:

• Define the minimum documentation required for people, equipment and vehicles.

- · Upload documentation into the system.
- Have Enel Chile validate the documents of the contractor company and its personnel, uploaded on the platform.
- Enable and create crews through the platform.
- · Comply with the current legal framework.

For example, in 2021, **71,707** digitized documents were obtained from Enel Distribución Chile and **4,800** from Enel X Chile, among others, which allowed the accreditation of people, vehicles, equipment and tools.

## Digital work permit project in SAP E4E Enel Generación Chile

This project is a global initiative that seeks to maintain the registration and traceability of work permits in the SAP E4E platform, with the objective of generating a safer operation, defining the different stages of work authorizations and the locking system (LOTO system) for electrical, mechanical and hydraulic components.

This initiative was first implemented at the Atacama and Taltal plants, where maintenance and operations personnel were

trained, including the HSE area of each unit. This activity focused on the SAP work permit tool, which includes the safety risk matrix for each site. Additionally, a web platform was implemented so that contractors can develop their risk matrices and employees were trained in its use and subsequent transfer to the SAP tool. In 2021, 100% of the work permits for these plants were drafted digitally in SAP E4E, and the system began implementation stage at the San Isidro Plant..





#### **E4E Safety ISI program**

This global program makes it possible to survey the critical risks of each technology at plant level, map them, make action plans, schedule the execution of the plans and follow up on them. Grouped in Streams, each one represents one of those risks: electrical panels, fire networks, lifting equipment, moving parts, machine tools, ATEX and walkways and roads. This initiative seeks to determine the safety level

of each piece of equipment used in the facilities, and that the risks associated with their use are mitigated through concrete solutions and follow-up.

In 2021, five Streams were raised with their respective action plans, in addition to their estimated budgets until 2023 and follow-up in the App.

# **Community and third-party safety**

Seeking to ensure health and safety, as well as to reduce the impact of various activities on the operating environment, the Company carries out periodic campaigns to measure and monitor the level of noise, vibration and dust generated by machines in production plants and distribution and processing cabins. Other environmental issues are also monitored, such as atmospheric emissions and air quality, the level of electromagnetic fields generated in the substations, discharges into surface water and water quality, production, recycling, reuse and disposal of waste, soil quality and possible impacts on biodiversity.

Enel Generación Chile constantly monitors the Environmental Qualification Resolutions (RCA) of each facility to avoid non-compliance and penalties. It bears noticing that most of the projects are located far from urban centers.

The generation plants, substations and power grid infrastructure are built in compliance with legal requirements and the highest technical quality and safety standards. Likewise, plants, sites, machines and work equipment are subject to systematic and periodic maintenance controls to ensure their proper operation.

## Third-party accident prevention campaign Enel Distribución Chile

This campaign was designed for customers and the public to prevent the occurrence of accidents to third parties. In 2021, videos and infographics were communicated through social networks, informing about the risks associated with domestic construction, industrial construction and pruning in the vicinity of energized electrical networks.

## **Emergency management**

Enel Chile applies an emergency management system that evaluates the impact of each critical event using a standard three-level reference scale. High impact events are controlled centrally, while those with a medium or low impact level are managed within the specific organization. The Crisis Committee oversees the definition of strategies and actions to face critical events, in addition to coordinating the activities to contain damages to Enel Chile's property, profitability and reputation.

Additionally, a security process has been established for personnel traveling abroad, whereby they are provided with information about the destination country and the conditions that may pose risks to their health and safety (e.g., political unrest, terrorist attacks, crimes and health crisis, among others). Likewise, guidelines and behaviors to be followed are provided, supplementary to the activation of the necessary security measures, according to the level of risk identified in the respective country.



## **Emergency plans**

In terms of emergency plans, the Company has engaged in drafting protocols and performing emergency and evacuation drills in Enel Distribución Chile and Enel Generación Chile, both in the Metropolitan Region and in the north and south of the country, considering scenarios of major incidents or disturbances. These activities have been led by the Services & Security team, in collaboration with

the Real Time Communication team, in line with international policies and best practices.

These activities have made it possible to establish improvements with a view to mitigating risks to people and infrastructure of the different business units, with a view to consolidating and maintaining operational continuity in the face of events occurring in different facilities.

### **Physical safety**

Enel Chile and its subsidiaries are considered "Strategic Companies" according to the supreme decree issued by the Ministry of the Interior and Public Security. In consequence, the Company is regulated to comply with private security matters under law 3.607 and its derived norms. Moreover, due to the nature of its essential operations for the development of the country, Enel Chile through its subsidiaries Enel Generación Chile, Enel Transmisión Chile and Enel Distribución Chile is under the application of the NERC-CIP regulation of the National Electric Sector for the prevention of cybersecurity risks.

The Services & Security function is fundamental in terms of prevention and coordination, as it is responsible for security, crisis and incident management in the entire country. It plays a role in the promotion, design and execution of preventive measures in favor of the protection of Enel's employees and collaborators in adverse situations or incidents of various kinds, thus promoting operational continuity.

Based on this, in 2021 we worked to define and design the first action framework that will allow Enel Chile and its subsidiaries to have a digital safety solution for its facilities nationwide, in accordance with the requirements of the NERC-CIP regulatory framework of the National Electricity Sector.

# Health and safety labor relations

Enel Chile promotes social dialogue and the participation of employee representatives, to consolidate a safety culture and promote the adoption of behaviors consistent with the principles that inspire the Company's policies.

For this purpose, various committees have been created, in which executives from the different Enel Chile management departments participate, including People and Organization Management, whose mission is to monitor initiatives and projects related to the health and safety of employees, at a national level and according to each business line. These bodies review the main projects to improve safety standards, training programs and prevention measures.

Enel Chile has joint committees and a Psychosocial and Occupational Risk Committee. The joint committees, representing all its employees, have the function of promoting a safety culture, reviewing and eventually investigating accidents.

## Recognizing outstanding associates

In line with its safety culture, the Covid Committee recognizes workers of contractor companies that have displayed remarkable performance in various areas, such as:

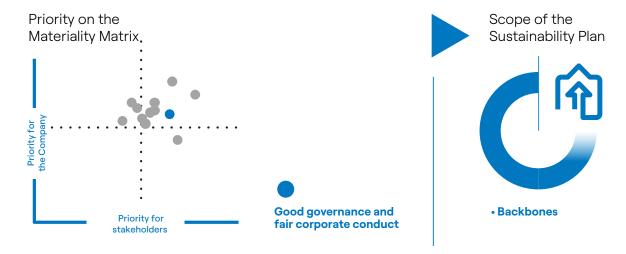
- 1. Appropriate use of personal protection elements
- 2. Identification of risk sources
- 3. Innovative ideas
- 4. Reporting of incidents
- 5. Good conduct





### Governance

103-1 | 103-2 | 103-3



## Primary material issue: good governance and equitable corporate behavior

#### **Material issues** How is it managed?

Through a solid corporate governance structure, the guidelines and policies that guide Enel Chile's actions are defined to create and distribute value to all its stakeholders.

Different levels of oversight of the Company's management have been defined and are based • Fair competition. on robust principles of transparency, fairness, ethical conduct, responsibility and accountability that enable the Company to achieve ambitious environmental and social objectives, in addition to its business objectives.

Additionally, the Company has implemented a Global Compliance model and policies that promote conduct in accordance with the most demanding international standards, as well as national regulations.

- Anti-Corruption.
- Board of Directors and senior management structure.
- Fiscal transparency.
- Fairness and transparency in communications.
- Fairness in management conduct.
- Good organizational model and compliance programs.
- Transparency in the relationship with institutions.
- Management of legal issues.

#### Importance of good management

Good corporate governance practices enable sustainable growth, which is one of the foundations of Enel Chile's sustainability plan, and seek to ensure efficient and reliable management with an administration that focuses on excellence and minimizes risks. A solid governance structure is the basis for an adequate decision-making pro-cess that integrates environmental and social aspects into the Company's management. It also makes regulatory compliance viable, preventing inappropriate conduct that could result in the destruction of value with negative impacts for stakeholders and the Company, which could also be exposed to a loss of confidence, mainly from investors and shareholders.



#### Sustainable Development Goal





## Principles of Human Rights Policy



#### World Economic Forum Risks



# **Goals and challenges**

SDG	Activity/goal	Goal Plan 2021-2023	Results 2021	Goal Plan 2022- 2024
16	Develop a structured induction and training plan for directors, including compliance, Criminal Risk Prevention Model and anti-bribery issues.	One annual training	Done	Two trainings per year
16	Having an Anti-Bribery Management System, certified under ISO 37001:2017.	Maintain the certifications of Enel Chile and its subsidiaries under ISO 37001:2017.	100% certified	Maintain the certifications of Enel Chile and its subsidiaries under ISO 37001:2017.
16	Continuous improvement of risk and control matrices in accordance with Law No. 20393. Execute the Compliance Road Map of Enel Chile and subsidiaries.	Continuous improvement of risk and control matrices on an annual basis.	Done	Continuous improvement of risk and control matrices on an annual basis.
16	Extend training within the Company on the Criminal Risk Prevention Model and the Enel Global Compliance Program (EGCP).	Train at least 50% of employees annually.	75% of employees were trained	Train at least 50% of employees annually.
16	Maintain the communications program on the Criminal Risk Prevention Model and EGCP within the Company (% of employees trained in the Code of Ethics, transparency, anti-corruption, risk prevention model, ESMS).	Continue with the dissemination, awareness and communication of the Ethics Channel, both for employees and stakeholders, emphasizing the principles of non-retaliation, confidentiality and impact of the analysis of internal and external dissemination channels.	17 internal and 5 external communications.	Execute the communication program by carrying out 15 internal and 2 external activities.
16 17	Conduct human rights due diligence and mitigation plan.	Conduct human rights due diligence.	Done	Conduct human rights due diligence.

#### **Principles of Human Rights Policy**

Fair and favorable working conditions	At Enel Chile, each person who works throughout the value chain has the right to conditions that respect their health, safety, well-being and dignity. To this end, the Company has a <u>Code of Ethics</u> , which includes ethical commitments and responsibilities in business manage-ment.
Integrity: Zero tolerance for corruption	Enel Chile rejects corruption in all its forms, both direct and indirect. To this end, it has standards and ethical conduct guidelines that include a Zero Tolerance for Corruption Plan.
Privacy	Enel Chile respects the confidentiality and the right to privacy of its stakeholders and the correct use of infor-mation and their personal data, and therefore includes these issues in the <u>risk taxonomy for the entire Enel Group.</u>
Communications	Enel Chile is committed to ensuring that institutional communications are non-discriminatory and respectful through good institutional relations and participation in associations.











## **Sound governance**

102-5

Enel Chile is an open stock corporation listed on the Santiago Stock Exchange, the Chilean Electronic Stock Exchange and the New York Stock Exchange, whose capital is divided into 69,166,557,220 shares distributed among 6,556 shareholders including institutional investors and individuals, both domestic and international. The investor base includes pension funds, mutual funds, insurance companies and local and foreign investment funds, thanks to which Enel Chile has adopted the best practices of transparency and corporate governance.



Enel Chile is controlled by Enel SpA, which has a direct participation of the Italian government of 64.93%, and an indirect participation of 15.3%, without special voting rights in Enel Chile.

## **Investor and financial community relations**

Enel Chile has corporate structures and an Investor Relations Policy that frame the dialogue with investors and the financial community in general, based on the principles of fairness and transparency, in accordance with the definitions of the Financial Market Commission (CMF), the Securities Exchange Commission (SEC) and the regulations on market abuse, understood as any act of manipulation of market information, such as the use of privileged information or fraudulent transactions, always in line with international best practices.

Through the Investor Relations Department, which is now part of the Administration, Finance and Control Department, the Company provides transparent, timely and quality information to the market on the main financial, strategic and operational issues. This unit is authorized to respond

to shareholders and investors' queries and its management prepares the Company's equity story and organizes meetings between Enel Chile's management, institutional investors and financial analysts. Additionally, it supervises

the documentation to be submitted to the latter for the disclosure of periodic financial data to the market and updates the Group's Strategic Plan as part of the Investor Day.

In 2021, Enel Chile held more than 300 meetings with investors, attended 10 conferences and 3 roadshows, both local and international.

Additionally, various regular

activities are carried out, such as group or individual meetings, conference calls and interaction with investors and analysts, to support them in their analysis, both financial



and in environmental, social and governance (ESG) matters, as well as to facilitate the correct valuation of the Company by the financial community. In turn, the Investor Relations Department, in collaboration with the Sustainability and Community Relations Department, also analyzes ESG issues and informs investors in a timely manner.

In July 2021, Enel Chile approved a policy for managing dialogues with institutional investors and with all shareholders and bondholders

Finally, Enel's website (<a href="www.enel.cl">www.enel.cl</a>, "Investors" section) contains economic, financial, environmental, social and governance information; updated data and documents of interest to this community, thus providing a multidisciplinary and integrated view of the Company.

## **Investor Day**

For the second consecutive year, Enel Chile held a remote Investor Day in 2021, with the participation of more than 100 local and foreign investors connected online. At the event, the new Strategic Plan 2022-2024 was unveiled, through which the Company seeks to ratify its leadership in the energy transition process and decarbonization of Chile, with a robust investment plan thus aligned.

As in 2020, the option of virtual tours of the plants through the 360° website was maintained, to make it easier for the financial community to get to know the facilities.

For further information, see the Enel Chile 2021 Annual Report.

### **Governance structure**

102-18 | 102-22 | 102-24

Enel Chile has Corporate Governance Guidelines, a manual that, among other aspects, establishes the general principles on which its corporate governance is based together with the guidelines for its implementation, with the objective of being applied uniformly in all the companies that make up Enel Chile, in addition to the guidelines of Enel SpA, subject to the Corporate Governance Code of the Milan Stock Exchange, recognized for containing the best international practices.

#### **Enel Chile Board of Directors**

Enel Chile's highest governance body is its Board of Directors. Responsible for establishing the guidelines that define the business strategy, this body approves the mission, corporate values, code of conduct, policies, business plans and risk management. It is composed of seven professionals with experience in the electricity sector, thanks to their performance as directors or executives in companies within the industry.

The Shareholders' Meeting chooses them individually for a period of three years after which they can be reelected, in accordance with the skills and characteristics required, considering independence requirements. If any of the directors resigns before the end of the term, the entire Board of Directors must be re-elected.





#### **How the Board of Directors works**

In order to ensure a level of operational excellence, the Board of Directors has a continuous improvement process that includes self-evaluation and review by an independent third party, both performed on an annual basis. These processes make it possible to evaluate management in various matters, with special reference to the good governance practices established in NCG No. 385, as so to approved policies, procedures, mechanisms and systems implemented to monitor corporate governance and sustainability practices, risks, and regulatory compliance.

#### **Self-evaluation**

During the year 2021, the annual self-evaluation process of the Board of Directors was complete, looking forward to detect and implement possible improvements in its organization and operation. The self-assessment was reviewed and validated by the Compliance Program Certification Company BH Compliance Limitada. For more information, refer to the <u>Annual Report 2021 of Enel Chile.</u>

#### **Evaluation by an independent third party**

Each year the Company hires the advice of an external expert, who prepares a report for the detection and implementation of eventual improvements or areas for strengthening the Board of Directors of Enel Chile. This process includes interviews with the Company's directors, general manager, tax, internal audit manager and external auditors. These interviews address the functioning of the Board of Directors, the preparation of the meetings and the debates that take place in the Board meetings, among other relevant topics.

#### **Roles and functions of the Board of Directors**

102-19 | 102-20 | 102-26 | 102-31 | 102-32

Even if the Board of Directors is the maximum instance responsible for the economic, environmental and social decisions of the company it delegates its authority on the General Manager and the main executives of Enel Chile to carry out the administration and management of these issues in the Company. This, in accordance with their designation and the needs of the business, as defined by a scheme of validated powers that establishes protocols on the competencies required for the matter in question.

The Board of Directors is responsible for configuring the framework in which the relationships with stakeholders, who are at the center of its sustainable business model, played out and maintained. Based on their identification as such and the reasons why they are stakeholders, a methodology was established to define and prioritize the issues relevant to them. In this sense, each management that maintains a direct relationship with stakeholders, such as Institutional Relations, Investor Relations, Communications and Market, Procurement, among others, is responsible for carrying out the relationship with stakeholders and reporting all relevant results in monthly meetings with the Board of Directors. In these instances, the information reported by the CEO and his executive team is also reviewed, and the relevant risks are analyzed according to an established schedule, until completing the annual analysis of the risk maps, related to the processes and activities that are at the core of the Company and the industry.

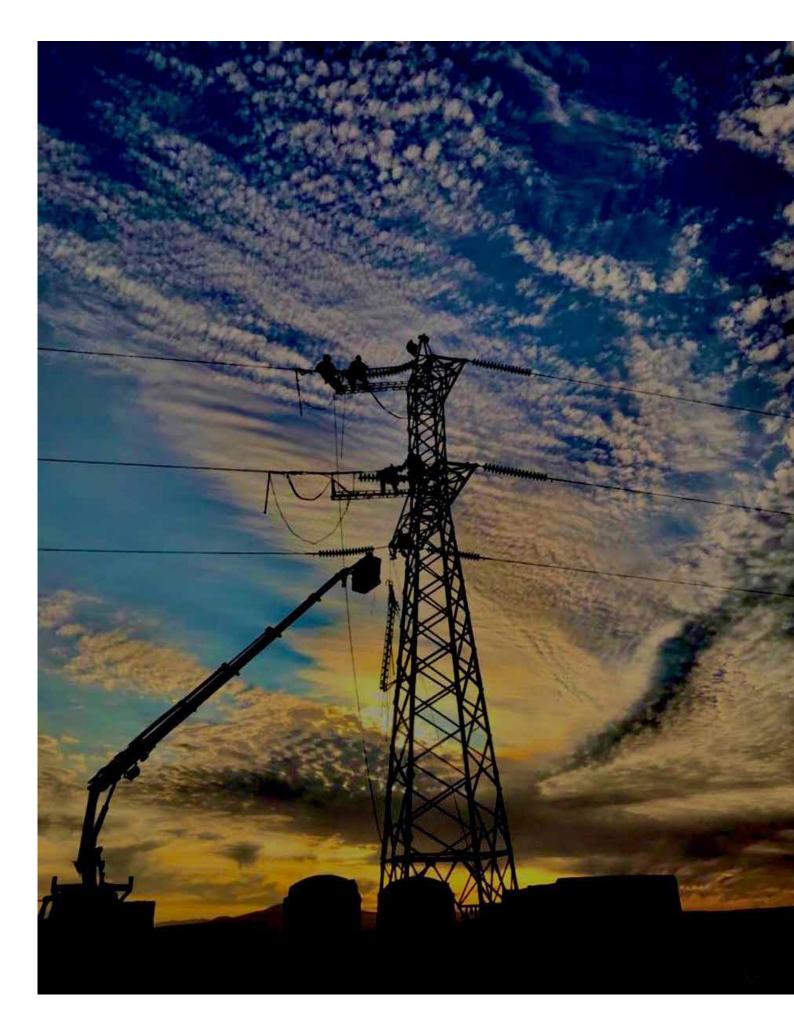
The Board of Directors also monitors and supervises the Compliance program, the functioning of the Criminal Risk Prevention Model and the results of the Ethics Channel, the control mechanisms for process risks and, in general, the execution of all the functions of the Internal Audit Management, which reports to the Board of Directors at least quarterly.

In accordance with the requirements of General Rule No. 461 of the Financial Market Commission (CMF, by its acronym in Spanish) -which amends NCG No. 30, contemplating sustainability issues in an integral manner and includes corporate governance matters of NCG No. 385, which is repealed-, the Sustainability Management is responsible for presenting, on a quarterly basis, the results of the Company's sustainability performance.

The Board of Directors delegates to the Directors' Committee -consisting mainly of independent members- the function of supervising the main sustainability issues together with area management, as well as specific issues related to environmental, climate change and biodiversity performance, or social issues such as health and safety, labor development and governance, transparency, commercial relations, human rights and review of the results of the Ethical Channel, among others.

For further information on sustainability and climate change governance, please refer to the sections <u>Sustainability</u> Governance and Climate Change Governance Model.

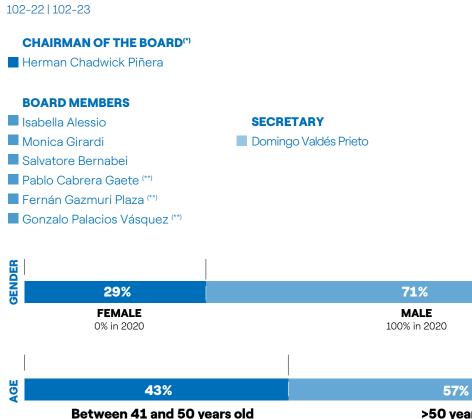


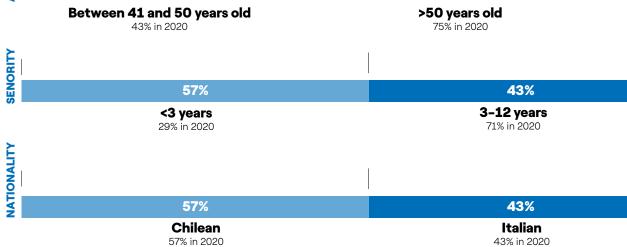






## **Board Composition and Diversity**





(\*) The Chairman of the Board may not be a member of the committee or its subcommittees unless he/she is an independent director. (\*\*) Independent

For more information on the Board of Directors, please refer to the  $\underline{\text{Enel Chile 2021 Annual Report}}$ .



## **Experience**

Director	Experience in environmental issues	Energy sector	Regulation	IT, Security of the and cybersecurity	Audit, finance and risk control	Communication and marketing	Corporate Governance, legal and compliance
Mr.Herman Chadwick Piñera		•		•	•	•	•
Ms. Isabella Alessio		•		•	•		•
Ms. Monica Girardi	•	•	•	•			
Mr. Salvatore Bernabei	•	•	•	•	•		
Mr. Pedro Pablo Cabrera	•			•		•	•
Mr. Fernán Gazmuri Plaza		•	•	•	•	•	•
Mr. Gonzalo Palacios Vásquez		•		•	•		•



Note: In accordance with Chilean regulations, three directors are considered independent. For more information, see the <u>Enel Chile 2021 Annual Report.</u>





# Training and information procedures for directors and shareholders

#### **Induction process for new directors**

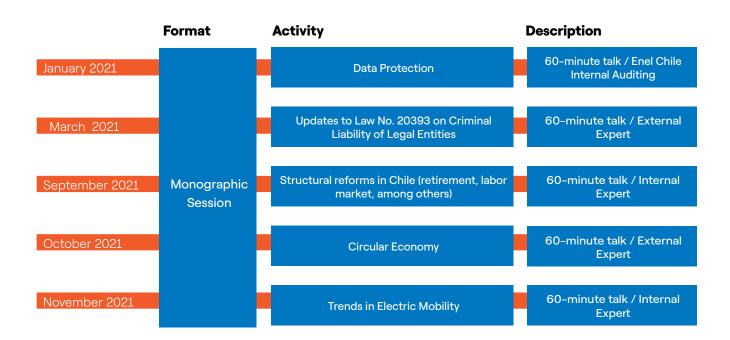
102-27

The new directors of the Company undergo an induction process in which they are provided with all the information regarding the business, strategies and risks that concern the Company. The process also includes a series of meetings with the Chairman of the Board of Directors and with the different divisions, in which the most relevant issues at stake are explained. In these meetings, the Company's mission, vision and strategic objectives are explained, as well as the values and principles that govern the Company. Along with the specific documentation on bylaws, minutes, manuals, among others, training is provided on their duties and responsibilities.

# Process for the ongoing training of the Board of Directors

The Company has a <u>permanent training program for the Board of Directors</u>, whose calendar is approved annually by the Board. The program addresses topics such as risks, sustainability, regulatory changes, pronouncements or sanctions by the authorities, innovation and investments, among others, with the participation of prominent speakers who are experts in these areas.

Hiring expert advisors from outside the Company makes it possible to detect aspects and operations of both the Board of Directors and the Company itself that can be improved or strengthened. When such advice is required at the request of one or more directors, the choice and appointment is made in compliance with Enel Group's internal regulations.





#### **Procedure for informing shareholders**

Serves to define the deadlines and the type of information received by the shareholders that will be submitted to a vote either at the ordinary shareholders' meeting, such as information on the candidates for directors, their experience and professional profile, among other significant aspects, or at an extraordinary shareholders' meeting.

For more information on training and information for shareholders and directors, please refer to the <u>Enel Chile</u> 2021 Annual Report.

## **Consolidating digitization**

Due to the ongoing Covid-19 pandemic that carried on through 2021, the Board of Directors worked remotely. This was supported by digital tools such as Gateway, which allowed them to have all the information on matters, minutes and background for the adoption of agreements; Share Point, with a digital storage system of the Company's legal

documentation; and Data Protection Compliance Program, with emphasis on data collection, through the E-Register Platform, and compliance with organizational measures such as the appointment of the first-line Controller Manager and Controller Task Manager (second line).







### Company management

102-19

Pursuant to its powers set forth in the Company's bylaws , the Board of Directors appoints the Chief Executive Officer, a position that is incompatible with that of Chairman of the Board or director.

The Company has succession plans to appoint the different executives who are selected according to their preparation and skills required for each position.



(\*\*) Audit reports directly to the Enel Chile Board of Directors.



## **Risk management**

102-30

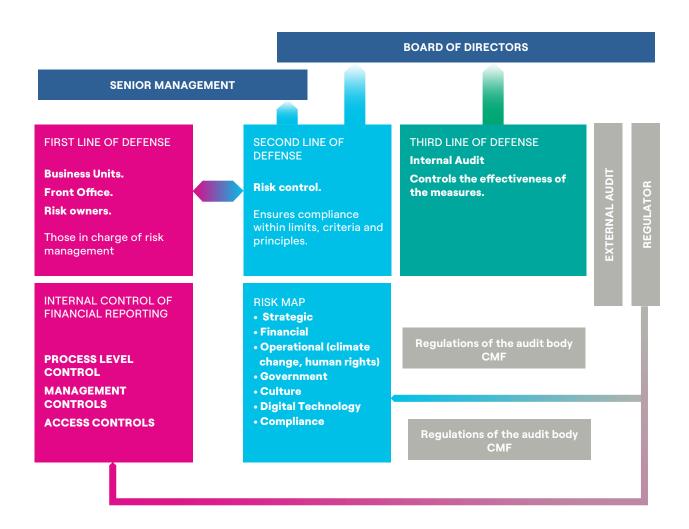
Increasingly, companies are exposed to risks beyond financial, such as socio-environmental and governance risks with interconnected and multidirectional impacts that affect the company's profitability and its ability to create and distribute value for its stakeholders.

For this reason, it is necessary to act collectively to generate preventive and mitigating action in an integrated manner, to counteract the social and environmental risks that today threaten the prosperity and future of the planet, and consequently the Company's viability.

## **Governance in risk management**

102-33

Enel Chile's risk management governance model is in line with best practices. The following are the bodies and functions that make up this structure:







#### **Monitoring and control**

To ensure the effectiveness of the Internal Control and Risk Management System (ICGRMS), a three-level action model has been defined, called three lines of defense, which segregates functions. The first two lines of defense are responsible for containment and report to management, while the third reports to the Directors' Committee in accordance with international best practices in Corporate Governance

The Board of Directors and the executive team represent one of the key internal stakeholders served by the lines of defense and are in the best position to help ensure that the model is also applied to the Company's risk management and control processes.

First line of defense	Second line of defense	Third line of defense	
Business Unit	Risk Control Area	Internal Audit	
These units must man-age their risks.		Independent evaluation that also reports the results of the activity carried out to the corporate bodies	

#### **Role of the Board of Directors**

The Board of Directors is responsible for monitoring and controlling the main risks relating to the Company and its subsidiaries - including any risks that may affect sustainability in a medium or long-term perspective - determining the degree of compatibility of such risks with the established strategic objectives.

Among other functions, the Board of Directors approves the guidelines of the Internal Control and Risk Management System (SCIGR) and evaluates its performance; approves the Audit Plan; and reviews reports on actions and procedures for risk control and management.

At least quarterly, it reviews the main strategic risks associated with the Company. This review is in line with the Risk Policies, ISO 31000:2018, internal procedures and external regulations with the objective of ensuring business continuity.

#### **Committees**

At the executive level, the Company has a Risk Committee, whose purpose is to define the structure and processes of risk governance in the detection, quantification, monitoring and communication of relevant risks to the Board of Directors. It also has a Crisis Committee whose purpose is to ensure clarity, speed and efficiency in decision making. Finally, the Company has a Critical Events Monitoring Office (OMEC), which monitors and manages crises in real time, 24 hours a day, 365 days a year.

## **Risk management policy**

Enel Chile's <u>Risk Control and Management Policy</u> aims to establish the model to control and manage risks, regulate the control and management model of such risks and identify the main functions; it involves all persons of the Company and directly or indirectly, controlled companies.

#### **Risk culture**

In 2021, Enel Chile conducted various trainings in the framework of its Risk Management Culture in which more than 330 participants took part, including those responsible for managing the risks of each area or line of business and members of the Board of Directors of the Company. Likewise, the members of the Board of Directors of Enel Chile participated in training sessions on Risk Management Culture and Cyber Risks. The Company's CEO and CFO also participated in these trainings. For more information, please refer to the Enel Chile 2021 Annual Report.



## Risks and opportunities related to the Strategic Plan

102-29

The Company seeks protection for all risks that may affect the achievement of business objectives. In January 2020, a new risk taxonomy was approved for the entire Enel Group, with six macro categories: Strategic, Governance and Culture, Compliance, Financial, Operational and Digital Technology. This document also includes 37 subcategories and incorporates ESG risks.

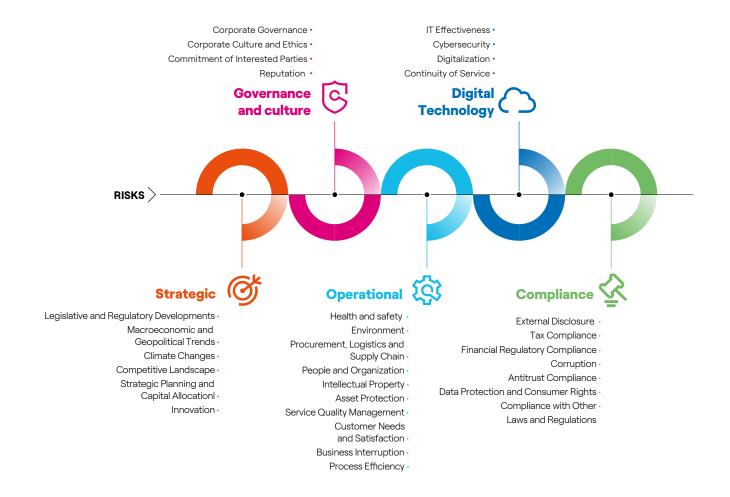
The analysis includes environmental, social and governance (ESG) risks, described in the Main ESG Risks section, which are analyzed by the Risk Control area in conjunction with the Sustainability area, to identify those that affect or could affect the Company's business, according to its materiality.

This involves a comprehensive understanding of the value chain, as well as the multidirectional, dynamic relationships over different time horizons between external variables and each of its stages under different scenarios, considering mega trends and their likely impacts over different time horizons.

A structured and systematized theoretical framework is used to identify risks, which considers the contributions of financial analysts, sustainability analysts, perception surveys, guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), results of human rights due diligence, internal, external and ISO audits, among others.

For each risk, a probability of occurrence and impact is estimated, with the participation of the business lines and staff areas actively involved as a way of creating a culture of risk and sustainability. If necessary, actions are agreed upon at different times to mitigate such risks.

#### **Risk taxonomy**







#### **SOX** internal control

To identify, treat and preventively monitor the risks that may affect its business continuity, Enel Chile has implemented its Internal Control and Risk Management System (SCIGR). This system is a central part of the corporate governance structure and follows the guidelines of Enel Group, based on the best national and international practices.

Regarding the Sarbanes-Oxley Act, it establishes that the Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Enel Chile's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with policies or procedures may deteriorate over time.

The evaluation of internal control is based on the criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 framework). According to SOX guidelines, the partner leading the audit of the financial statements is required to change every five years, while the Shareholders' Meeting is responsible for selecting the auditing firm.

For further information on risk management, please refer to the *Enel Chile 2021 Annual Report* .





## Internal audit

The Internal Audit Management is responsible for ensuring, in an objective and independent manner, the efficiency and effectiveness of the Internal Control and Risk Management System. This system, and its alignment with the business model, is one of the main success factors of Enel Chile and its subsidiaries.

The objective of the audit processes is the periodic evaluation of the Company's operations and the identification of areas for improvement, to strengthen the Internal Control System by generating action plans. The results of each audit and their action plans are reported

to the Board of Directors, who supervises the adequate execution of the improvement actions. These audits include control activities associated with the Criminal Risk Prevention Model (MPRP, by its acronym in Spanish), including the Crime Prevention Model according to Law 20,393, to prevent and detect potential risks of illegal acts, fraud and situations of conflict with the ethical principles of Enel Group.

For further information, please refer to the <u>Enel Chile 2021</u> Annual Report .

## **Ethical standards and conduct**

102-16

Enel Chile is fully committed to complying with its ethical standards and conduct, as well as with current legislation, both in its internal and external relations. The Board of Directors is the body in charge of supervising compliance with ethical standards and the with the prevention of criminal risks, a task whose follow-up and management is delegated to the Internal Audit Management. To this end, the Company and its subsidiaries have a <a href="Code of Ethics">Code of Ethics</a> that guides the actions, commitments and ethical responsibilities of its members, as well as of its control bodies (Shareholders' Meetings, Directors' Committee and Audit Committee) in the management of business and corporate activities. Our current code was approved by the Board of Directors in the June 2021 session.

The Code of Ethics and other documents that frame the culture in this area (for example, the <u>Zero Tolerance for Corruption Plan</u> and the <u>Global Compliance Program</u>), are communicated to all members of the organization,

and are published on the website to allow easy access to their contents.

Specifically, the Code of Ethics defines criteria for ethical behavior; mechanisms for implementation, control and continuous improvement in compliance; and defines value principles, such as impartiality in decisions, honesty, action in the face of conflicts of interest, confidentiality of information and fair competition, among others.

It should be noted that, to avoid conflicts of interest, the Company complies, on the one hand, with the Corporations Law and, on the other hand, the Board of Directors has adopted the voluntary practice of General Standard No. 461, which covers sustainability issues in a comprehensive manner and includes corporate governance matters.

For further information, please refer to the  $\underline{\text{Enel Chile 2021}}$   $\underline{\text{Annual Report }}$ .





## **Criminal Risk Prevention Model**

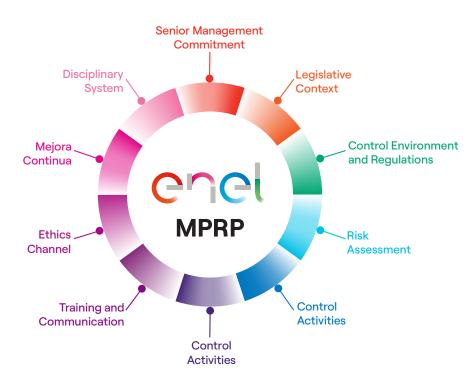
Enel Chile actively opposes any form of corruption, direct or indirect, in the value chain process, in any place where its operations occur, and involving any of its stakeholders. This model covers all the requirements of the Crime Prevention Model defined in Law 20.393 and its modifications under Chilean regulation.

Enel Chile has a Criminal Risk Prevention Model (MPRP), consisting of activities and definition of expected behaviors of all members and stakeholders. This system is complemented with guidelines defined in Enel Global Compliance Program, Anti-Bribery Management System (ISO 37001) and Compliance Management System (ISO 37301). Its main objective is to control and prevent the commission of crimes, as well as to ensure transparent compliance with the standard in all Enel Chile's actions.

The Board of Directors approves the documents that make up this model, relying on the Crime Prevention Officer for its implementation. This body also periodically evaluates and monitors the implementation and improvement of the programs, analyzing possible deficiencies in the company's internal control and risk management system.

The Crime Prevention Officer has the necessary organizational autonomy, empowerment and resources to properly carry out its functions. Periodically, the Board of Directors evaluates and monitors the implementation and improvement of the programs at the level of the company's processes, through sessions where the Crime Prevention Officer reports the main activities related to its execution and proper functioning.

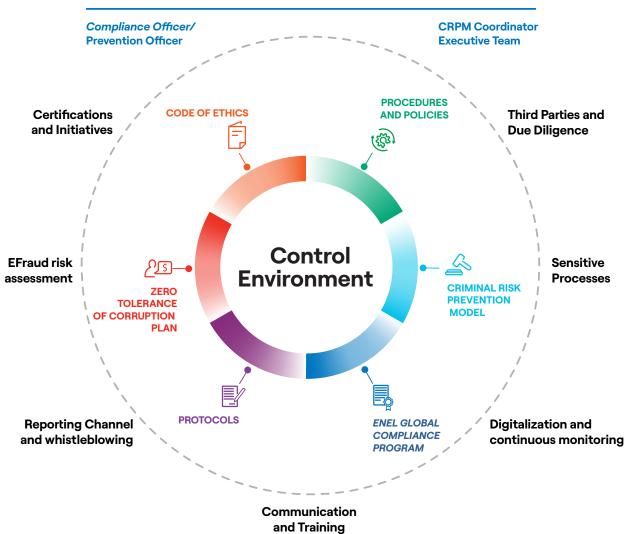
In 2021, Enel Chile and its subsidiaries managed to certify the Criminal Risk Prevention Model until 2022 through an authorized external entity, according to the requirements of Law No. 20,393.



The monitoring of the CRPM is led by the Crime Prevention and Compliance Officer, who reports, at least quarterly, to the Board of Directors, the effectiveness of the Crime Prevention Model, including any serious deficiencies that may have been detected or any irregular situations that should be reported to the supervisory or other competent bodies.



#### **Board of Directors**



For further information, please refer to the Enel Chile 2021 Annual Report.





## **ISO 37001 Anti-Bribery Management Systems**

In compliance with the tenth principle of the United Nations Global Compact and SDG 16, under which companies commit to fight corruption in all its forms, including extortion and bribery, Enel Chile contributes to the fulfillment of this commitment through the implementation and maintenance of the pillars of the Anti-Bribery Management System in accordance with ISO 37,001 standard.

Enel Chile applies and maintains the Anti-Bribery Management System according to the ISO 37.001 standard, in accordance with international policies. This standard specifies best practices to prevent, detect and

address bribery through the identification, control and communication of standards of behavior in operations considered at risk, such as negotiations and execution of contracts with third parties.

As part of Enel Chile's commitment to implement best practices worldwide, during 2021 the Company and its subsidiaries maintained the certification of the system under international standard ISO 37.001: 2016. Likewise, and in this same period, the subsidiary Enel Transmisión Chile obtained for the first time the ISO 37001 Anti-Bribery Management System certification.

## **Zero Tolerance for Corruption Plan**

Enel Chile requires its employees to be honest, transparent and fair in the performance of their duties in accordance with its Code of Ethics. These commitments translate into the following general principles:

 Enel Chile applies a program to fight corruption called Zero Tolerance for Corruption Plan (TCC, by its acronym in Spanish) that strengthens the commitment to prohibit bribes, donations to political parties, favored deals and gifts. Furthermore, it regulates donations to charities and other forms of sponsorship.

## **Supply Chain Compliance System**

EEnel Chile promotes the prevention of crime and the fight against corruption through specific trainings to participants of its supply chain, since the condition of supplier or contractor collaborator implies adhering to the General Contracting Conditions, as incorporated in the Code of Ethics and the Zero Tolerance for Corruption Plan, among

others. The company also has protocols to guarantee and validate the integrity and consistency of the services contracted and executed, especially regarding consulting and professional services, which are communicated and trained to strengthen the commitment to integrity and the company's Open Power principles.



## **Compliance Road Map**

102-25 | 205-1

The Compliance Road Map (CRM) defines a methodology that plans the activities associated with the Compliance Management System and the Criminal Risk Prevention Model (MPRP). Its objective is to monitor, evaluate and improve Enel Chile's Criminal Risk Prevention Model (MPRP), as well as to contribute to the Group's corporate governance and sustainability strategy. The Compliance Road Map has several pillars of action involving different stakeholders:



#### COMMUNITY/CUSTOMERS

Convey the Group's commitment to transparency and integrity in carrying out its activities in order to build trust with communities and customers.



Share and develop ethical and anti-corruption compliance standards and practices with civil society and governmental bodies.



# INSTITUTIONAL

## INSTITUTIONAL STAKEHOLDERS & NGOs

Convey our culture and commitment to Ethics and Compliance and jointly establish and/or strengthen good practices associated with this matter.



#### OUR PEERS

Learn about best practices in the electricity industry and markets while promoting standards that are carried out fully within the Group. These actions will add value to our corporate and industry governance.

During 2021, compliance activities focused on early identification and mitigation of the risks of corruption, bribery and other crimes contemplated in Enel Chile's Compliance Model, with a focus on potential conflicts of interest or unethical conduct in all processes, through the following tools:

- Fraud Risk Assessment (FRA) Matrix: This tool updates
  the corruption risk assessment for all the Group's
  business units, making it possible to identify and
  evaluate all types of fraud events that could occur in the
  organization.
- Evaluation of the Risk Matrix of the Criminal Risk Prevention Model: During 2021 the documents, risks and controls were updated considering the extension of the

scope of Law 20,393, which includes a new crime related to the prevention and protection of workers' health...

- Risk Assessment Matrix: This instrument assesses risks in all the processes of Enel Chile and its subsidiaries, through the C.O.S.O. methodology. In 2021, the risk typologies considered were updated in line with the Company's operating strategy.
- Ethical Channel: Enel Chile made this channel available to all its stakeholders. It is an externally and independently administered instrument that offers guarantees of confidentiality, non-retaliation and anonymity to whistleblowers.





## **Compliance management system**

102-17

The implementation of the Compliance Management System is inspired by the international standard ISO 37301:2021, Compliance Management Systems – Requirements with guidance for use (hereinafter ISO 37301) to develop an effective ethical culture in the face of compliance risks. This standard specifies the requirements to implement, develop, evaluate, maintain, audit and improve the Compliance

Management System and provide guidelines regarding measures and practices to integrate processes that act to prevent bribery through the implementation of controls and standards of behavior in operations considered risky. It is part of Enel Chile's Compliance Program and has the Board of Directors as its highest governing body.

#### **Enel Global Compliance Program**

Enel Global Compliance Program (EGCP) is a tool to reinforce the proactive prevention of corporate criminal liability, in accordance with Italian Legislative Decree 231. It is designed to reinforce the Company's commitment to the highest ethical, legal and professional standards to enhance

and preserve its reputation and contribute to prevent any criminal liability of Enel Chile. This document is inspired by the most relevant international regulations on this subject, among which are: ISO37001 Standard, Foreign Corrupt Practices Act (USA) and Bribery Act (United Kingdom).

## **Training**

205-2

The Code of Ethics policy is communicated to employees through the intranet (e.g., dedicated sections on the intranet), organizational documents (e.g., copies given to employees) and legal documents (e.g., clause on its adoption in all contracts), and communication activities to ensure its correct understanding. An annual training plan is also implemented to strengthen this culture among employees and suppliers.

During 2021, the Company and its subsidiaries conducted 40 trainings related to the Criminal Risk Prevention Model, in which 2,012 employees participated (90% of the staff), and of these, 805 were trained in Sexual and Labor Harassment issues (36% of the staff). These focused on the prevention

of corruption and unethical behavior, the use of the Ethics Channel, the Anti-Bribery Management System (ISO 37001) and, in general, knowledge of the Company's Compliance System. In addition, an Ethics Week was held for members of the Company with training events, activities to reinforce values, transparency and the ISO 37001 Anti-Bribery Management System.

Moreover, during 2021, training activities were also carried out for all suppliers of Enel Chile and its subsidiaries, such as the Alliance for Integrity on good integrity practices, and the annual Supplier Day Chile, to reinforce the dissemination of the Ethical Channel and its principles of transparency.

	Employees trained in anti-corruption				
	policies and Code of Ethics	% of staff	<b>Total hours</b>	<b>Training goal 2021</b>	
Enel Chile (includes EGP y EnelX)	851	92%	5,218	50% of the staff	
Enel Generación Chile	569	93%	3,000	50% of the staff	
Enel Distribución Chile	503	90%	2,719	50% of the staff	
Enel Transmisión Chile	89	89%	515	50% of the staff	



#### **Participation in external initiatives**

102-12

Enel Chile voluntarily participates and adheres to various initiatives to measure the effectiveness of its compliance programs, evaluate its performance and apply best practices in corporate governance and sustainability management, such as:

- Adherence to the Global Compact Chilean Chapter of the UN.
- Member of the Transparency network with ChileTransparente (Chilean chapter of Transparency International) for the definition of best practices in the business-government relationship.
- Belongs to the community of companies certified with ISO 37001 Anti-Bribery Management System.
- Belongs to the community of companies with its Criminal Risk Prevention Model certified according to Law No. 20.393, in Chile
- Member of the Compliance Circle of the Chilean-German Chamber of Commerce and Industry (AHK Chile).
- Member of the LatAm Regional Working Group of Alliance for Integrity.
- Member of the Ethics and Governance Committee of Acción Empresas.

Additionally, in 2021 the Company actively participated in several dissemination events, some of which are:

- LatAm Alliance for Integrity Regional Working Group, participation in Global Integrity Campaign covering more than 64 countries in the fight against corruption.
- Presentation of documents Whistleblower Management Systems in companies and their contribution to SDG 16 by Pacto Glocal Red Chile in conjunction with the Santiago Stock Exchange.
- Participation and co-creation of the document **No Excuses** of AHK Chile and Alliance for Integrity, A Pocket guide to refute the 10 most frequent excuses for corrupt conduct.





## **Ethical Channel**

102-17

Enel Chile has an ethical mailbox to report bad practices confidentially and anonymously. The existence of an <a href="Ethics Channel">Ethics Channel</a> has been duly disseminated within the Company and is extensively known by employees, contractors, suppliers, customers, communities and other interested parties, and can be accessed by telephone, in person or remotely via the Company's intranet and website. This way, the whistleblower can use the channel to provide information related to the reported situation, as well as receive feedback and queries from those responsible for managing the case.

## Whistleblower protection

205-3 | 206-1

Regarding the Ethical Channel, and through Global Policy No. 107 on Whistleblowing, anonymity, the Company ensures anonymity, protection against retaliation of the whistleblower and protection against bad faith whistleblowing, all of which are guaranteed through a solid and effective management system for reporting irregularities, consistent with the principles of trust, impartiality and protection of whistleblowers. The Ethics Channel is managed by the Internal Audit Management and administered by an external company (Navex). This channel also allows the reporting of irregular conducts that are contrary to the principles of the Criminal Risk Prevention Model, the Code of Ethics or that may come into conflict in other areas such as accounting,

money laundering, terrorist financing, bribery, corruption, receiving, misappropriation, incompatible negotiation and environmental crimes, among others. Complaints received are investigated internally and reported to the Directors' Committee.

During this period, 27 complaints were received under the scope of Enel Chile and its subsidiaries, which resulted in 8 violations of a non-significant nature to the Company's Code of Ethics, in matters of labor climate and Health & Safety. It should be noted that in the last five years, Enel Chile has not had any confirmed cases of corruption and bribery, nor has it received fines related to anti-competitive practices.

KPI	UM	2021	2020	2019	2018	2021-2020	%
Complaints received (1)	n.	27	19	15	26	8	42%
Non-compliances related to epi-sodes of:	n.	7	2	3	7	6	300%
Conflict of interest/corruption (2)	n.	0	0	2	4	0	0%
Misuse of assets	n.	0	0	1	0	0	0%
Work environment	n.	3	2	0	2	2	100%
Community and society	n.	0	0	0	0	0	0%
Other motivations (3)	n.	4	0	0	1	4	0%
Workplace and sexual harassment	n.	0	0	0	0	0	0%

<sup>(1)</sup> During 2021 there was an increase in reports related to potential non-compliance with the Code of Ethics due to a more effective dissemination of whistleblowing channels in the organization.



<sup>(2)</sup> In 2021 there were no cases of conflicts of interest. For the last notifications received in 2019 on this matter, sanctions and disciplinary actions were taken against two employees of the subsidiaries of Enel Chile, in accordance with the internal regulations of each company.

Corruption is the abuse of power for private gain and can be carried out by individuals in the public or private sector. It is interpreted to include corruption practices such as bribery, extortion, collusion, conflicts of interest, and money laundering. No cases of corruption have been reported.

<sup>(3)</sup> Another motivation refers to control weaknesses in technical processes or noncompliance related to contractors. Regarding the 4 cases reported, these correspond to individual verbal conduct not aligned with the corporate principles in force, being investigated within the established period of 90 days, and the sanctioning measures were applied according to the internal regulations of the company's Code of Ethics.

#### Where to report?

#### **Corporate Web**

Right-hand Menu / Ethical Channel www.enelchile.cl www.eneldistribucion.cl www.enelgeneracion.cl

#### **Internet**

Direct ethical channel:

https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html

#### In person or in writing

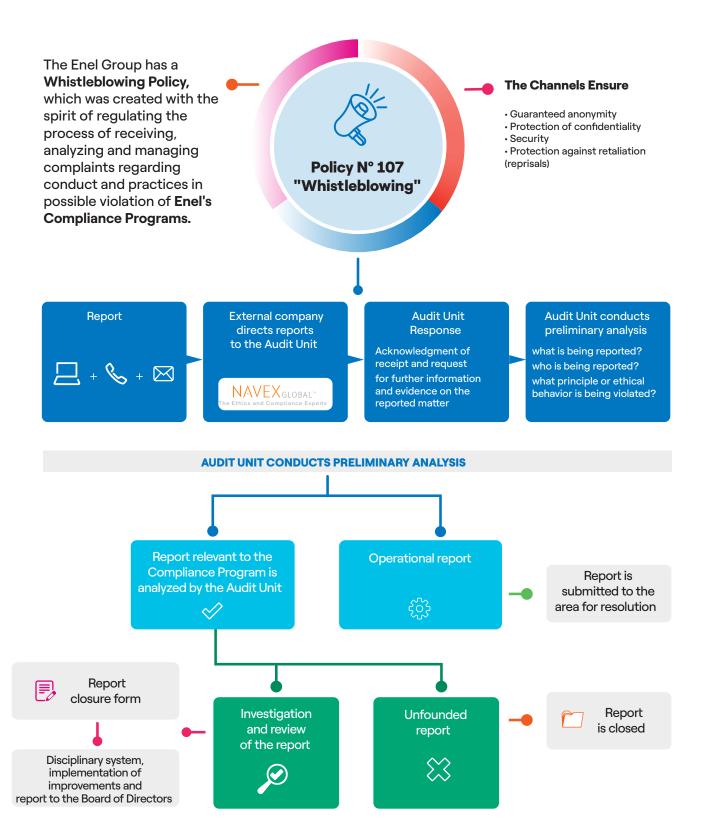
**Enel Chile** 

Internal Audit Management, Santiago, Santa Rosa 76, 9th floor.

#### **Analysis of complaints to the Ethics Channel**

The Directors' Committee analyzes the report submitted by the Audit Manager with all the complaints received through the Ethics Channel that were analyzed in each period. The committee provides guidelines to be followed regarding the corrective measures to be implemented. The Directors' Committee analyzes the report presented by the Audit Manager with all the complaints received through the Ethics Channel that were subject to analysis in each

period. The committee provides guidelines to be followed regarding the corrective measures to be implemented. In this regard, it should be noted that there have been no situations of non-compliance or violations of the code of ethics in issues pertaining to labor or sexual harassment, whose behaviors have been typified in the Policy on Labor and Sexual Harassment, and duly communicated through internal publications on the intranet.











## Institutional relations and participation in associations

The Institutional Relations area and its management are of special importance, as they are an essential gear for the generation and construction of a good corporate reputation. Aware of this, Enel Chile seeks to be coherent, and to adequately adopt a conversational model with its stakeholders, with the purpose of communicating its position, stand on good practices and its conception of sustainable development in the energy sector.

Through Institutional Relations, companies can learn about legislative, political, regulatory or administrative issues that -in one way or another- could affect their business and their interests in the market. They provide information on the commercial scenario of various industries, the entry of new investors, trends and prospects, among other aspects. They also act as a **defense mechanism** for business interests, especially in crisis situations, and expand the circle of influence of companies by allowing their executives, managers or partners to interact with the government or with other commercial agents, on the understanding that the more connections a company has, the more options there are to close deals in the short, medium or long term. Thus, having a solid Institutional Relations management is key to building a good brand reputation, where the defined strategy must be coherent and capable of adapting the

conversational model promoted by the organization, to apply it with its stakeholders.

In this context, Enel Chile is a Company that seeks to maintain a fluid and constant relationship with the authority, under a legal framework that guarantees the transparency and probity of Enel Group in this interaction, in accordance with elements such as the Compliance Program, the Criminal Risk Prevention Model and all its components. For the institutions to have the best conditions for decision making, the activities with these entities are registered and controlled in accordance with Law 20,730, which regulates lobbying and efforts to represent private interests before authorities and officials. For this purpose, the Company keeps internal procedures and manuals, which are mandatory for any member, representative or contractor of the company, who is related to members of state institutions.

During 2021, Enel Chile continued to be part of multiple trade and business associations. The Institutional Relations Management updated the procedure that regulates the relationship with these entities.

415-1

Contributions over the last four periods					
2018	2019	2020	2021		
\$679,412,717	\$843,566,874	\$1,047,509,009	\$ 927,356,144		

<sup>\*</sup>Enel Chile and its subsidiaries have not made any contribution related to lobbying, interest representation or similar, political campaigns / support to organizations / contributions to local, regional or national candidates or others (e.g., expenses related to ballot measures or referendums), in compliance with Law 20,900, as well as with the Group's internal policies.

Within the total monetary contributions of Enel Chile, the three most important were: to the Chilean Generators Association (Ch\$ 334,686,678) through its subsidiary Enel Generación Chile; to the Chilean Electricity Companies Association (Ch\$ 102,494,722) through its subsidiary Enel Distribución Chile; and to the Chilean Institute of Rational Business Administration (ICARE, by its acronym in Spanish) (Ch\$ 75,195,400), through Enel Chile.

The institutional dialogue of the trade and business associations in which Enel Chile or its subsidiaries engaged in 2021, considered the support of the regulatory and consultation processes on the following main topics:

- Development of energy policies: the contribution made to this topic in 2021 amounted to Ch\$ 463,408,207.
- Increased business competitiveness: the contribution made to this item in 2021 was Ch\$ 463,947,937.



<sup>\*\*</sup> Data coverage corresponds to 100% as a percentage of income for the four years.

## **Positioning of Enel Chile**

Enel Chile's institutional relations focused in 2021 on positioning activities that address the challenges faced by the Company, as well as on strengthening the relationship plans with the authorities of the territories where it operates, as detailed below:

- Promotion and enabling of a portfolio of renewable energy projects under construction in the context of the current social and health crisis, through the relationship with local, regional and local authorities in the regions where the Company operate.
- Implementation of heritage projects in the different business lines. On the one hand, Enel Generación worked on documenting the history of geothermal energy and the closure of Bocamina; on the other hand, Enel Distribución, as part of its centennial celebration, inaugurated the Enel

- Electricity Museum to share with the communities the history of electricity and how it was developed in Chile over the last 100 years with the Company as an actor.
- Presentation with the new authorities (mayors, ministry representatives, etc.), strengthening support and commitment, establishing an active and transparent relationship.
- Promotion of the circular economy as a pillar of the Group's carbon neutrality and climate change strategy, in different governmental and trade associations and technology centers.
- Enel and the Energy Cluster participated in webinars on the circular economy, the role of the energy industry and topics of interest for the different regions.

## Relationship plan with the authority

Likewise, Enel Chile had an intense and varied agenda of relations with the authority, including the following activities:

- Implementing a Relationship Plan with Municipalities, ministry representatives and local services, to inform about Enel Chile's renewable projects and their development.
- Organizing territorial roundtables to analyze and evaluate the national social, political and economic scenario (e.g., central south, Maule basin and northern macro-zone).
- Given the elections and the replacement of several authorities, we initiated a relationship plan with the new mayors and re-elected authorities to present the Company, projects and work teams, and thus continue to establish ties that generate a positive social and corporate impact.

## **Digital Institutional Relations Plan**

Regarding the challenge of developing a Digital Institutional Relations Plan to convey information in a transparent and responsible manner about the insertion of the company in the regions and municipalities where Enel Chile is present, and to manage the relationship with authorities, unions and associations, Enel Chile is working on three initiatives:

#### 1. Institutional territorial management

Implementation of a software that each territorial desk will feed with key information, and through which the Executives and the Institutional Relations Management will have relevant and timely information for decision making when dealing with institutional stakeholders.

# 2. Management and control of meetings with authorities

Creation of a single internal record of meetings with authorities (including topics to be discussed, participants, commitments, etc.), to keep track of all meetings that Enel Chile employees have with authorities.

# 3. Management of memberships and associations

Development of a platform to collect all supporting information behind memberships, and their electronic approval circuit.





## **Memberships and associations**

102-13

Subsidiary	Associations	
Enel Distribución	Empresas Eléctricas A.G.	
Enel Generación	Asociación Gremial de Generadoras de Chile	
Enel Generación	Comité Nacional Chileno de Grandes Presas (ICOLD CHILE)	
Enel Generación	Asociación de Industriales del Centro (ASICENT)	
Enel Generación	Asociación Empresas de la V Región (ASIVA)	
Enel Chile y Enel Generación	Sociedad de Fomento Fabril (SOFOFA)	
Enel Chile	Chilean Chapter of World Energy Council (WEC CHILE)	
Enel Chile	Asociación Chilena de Energías Renovables y Almacenamiento A.G. (ACERA)	
Enel Chile	Cámara Chilena Norteamericana de Comercio (AMCHAM)	
Enel Chile	Cámara de Comercio Italiana de Chile (CAMIT)	
Enel Chile	Cámara Chileno Argentina de Comercio (CCAC)	
Enel Chile	Cámara Chileno Brasileña de Comercio (CCBC)	
Enel Chile	Instituto Chileno de Administración Racional de Empresas (ICARE)	
Enel Chile	Centro de Estudios Públicos (CEP)	
Enel Chile	Chile Transparente (CT)	
Enel Chile	Fundación Libertad y Desarrollo	
Enel Chile	Acción Empresas - Fundación Acción Empresarial	
Enel Chile	Pacto Global Red Chile (Universidad Andrés Bello)	
Enel Chile	Líderes Empresariales por la Acción Climática (Universidad de Chile)	
Enel Generación	Junta de Adelanto del Maule (JAM)	
Enel Chile	Fundación Paz Ciudadana	
Enel Chile	Instituto Auditoría Interna y Gobierno Corporativo A.G.	
Enel Chile	Centro Regional del Sector Privado para los Objetivos de Desarrollo Sostenible	
Enel Chile	Congreso Futuro – Fundación Encuentros del Futuro	
Enel Chile	BIM Forum Chile - Corporación de Desarrollo Tecnológico	
Enel Green Power	Asociación de Industriales de Antofagasta (AIA)	
Enel X	Cámara Chilena de la Construcción (CCC)	
Enel Chile	Pride Connection Chile	
Enel X	Asociación Gremial de Hoteleros de Chile	
Enel X	Asociación Chilena de Energía Solar AG (ACESOL)	
Enel X	Asociación Gremial de Empresas de Eficiencia Energética (ANESCO)	
Enel Chile	Fundación EUROCHILE	
Enel Chile	Instituto de Ingenieros de Chile	
Enel Chile	Museo Artequin	
Enel Chile	Asociación Chilena de Venture Capital (ACVC)	

Enel Chile participates directly, as well as its subsidiaries Enel Generación Chile and Enel Distribución Chile, in the Global Compact. Likewise, Enel Chile shares and carries out actions aligned with Enel Group commitments.

## **Engagements**

Business Ambition for 1.50 C Carbon Pricing Champions Caring For Climate CEO Water Manda CFO Principles

Global Compact Board Programme

Global Compact LEAD

Human Rights and Labour Working Group

Science Based Tragets (Approved)

Traget Gender Equality

Women's Empowerment Principles



## **Fiscal transparency**

## Fiscal strategy

207-1

Enel Chile adheres to <u>Enel Group's Tax Strategy</u>, which is based on a set of principles and guidelines inspired by values of transparency and legality in tax management, assuming the responsibility to ensure its knowledge and application.

#### Tax strategy objectives and principlesl

Enel Chile's Board of Directors approved the Group's tax strategy, with the objective of ensuring that taxation is managed in a uniform way across all Company subsidiaries. Its objectives are:

- 1. To determine and liquidate taxes due in a correct and timely way, in accordance with the law and complying with corresponding obligations.
- Manage tax risk, which is understood as the risk of incurring in any violation of tax regulations or abuse of the principles and purposes of the tax system.
- In turn, the strategy outlines the following principles as guidelines for Enel Chile and the different subsidiaries of the Group, to support their business activity and keep it consistent with the fiscal variable, adopting the appropriate processes to ensure their effectiveness and application:
- Values: The Company's tax management is aligned with the values of honesty and integrity, as the Company is aware that tax revenues are one of the main sources of contribution to the economic and social development of the countries in which it operates.
- Legality: The Company pursues a behavior oriented towards compliance with applicable tax regulations and is committed to interpreting them with respect to both form and substance.
- Tone at the top: The Board of Directors has the responsibility to lead a corporate culture based on the values of honesty and integrity, and the principle of legality.
- Transparency: Maintains collaborative and transparent relations with the tax authorities.
- Shareholder value: Considers tax to be a business cost and, as such, believes that it should be managed in accordance with the principle of legality, with the objective of safeguarding the Group's assets and pursuing the overriding interest of creating value for shareholders in the medium and long term.

## Compliance

Enel Chile must respect the principle of legality, promptly applying tax laws to ensure that the applicable tax regulation or regime is fully respected. Likewise, Enel Chile does not engage in national or cross-border conducts or operations that result in purely artificial constructions that do not reflect the economic reality and from which it obtains undue tax advantages, coming in conflict with the purpose or spirit of the tax provisions or system in question.

#### **Intercompany transactions**

All intercompany transactions follow a transfer pricing policy, which has been adopted by Enel Group, in line with the arm's length principle, an international standard established by the Model Tax Convention and referred to in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

In this regard, intercompany relations are structured at market prices and conditions, ensuring the creation of value in the locations where the Enel Group operates. To minimize tax risks, and in line with applicable regulations, the Group encourages the signing of Advance Pricing Agreements (APAs) with local tax authorities when establishing transfer pricing methods, when allocating profits and losses to permanent establishments, and when applying the rules on cross-border flows between Group entities.

In the operations that Enel Chile has or may contract with both financial companies, these intercompany debts may be recorded either at amortized cost, using the effective interest rate method, or at fair value as required by IFRS 13.





## **Tax jurisdiction**

Enel Chile does not invest in or through countries considered tax havens for the sole purpose of reducing its tax burden. Such investments may only be proposed if they are supported by well-founded economic-strategic reasons and are aimed at the development of the activities included in the Group's corporate purpose.

#### Tax incentives

Tax incentives are a key mechanism for development-oriented economic policy. They are employed by states to stimulate growth and attract investment. The use of tax incentives generally results in a reduction of tax liabilities in the long term. In this line, Enel Chile only uses tax incentives of broad application, respecting all specific regulations and taking care that the incentives are in line with its industrial and operational objectives and are consistent with the economic substance of its investments.

## Fiscal governance

207-2

Enel Chile's Tax Affairs Management oversees the implementation of the Group's tax strategy. It is responsible for managing and ensuring compliance, planning and monitoring these matters at a local level.

The Company has also adopted a set of rules, procedures and standards that are part of the Enel Group's broader system of organization and control. These are applicable both at the Group level and at the local level of each subsidiary. These documents are published on the company's Intranet, are accessible to all employees, and constitute the general rules of conduct applicable in tax matters for the development of Company activities. In addition, there are specific organizational documents – both at global and local levels – on tax compliance processes, tax planning, tax monitoring, transfer pricing and tax risk management.

#### **Tax risks**

To provide clear and consistent guidelines to address an effective approach to tax risk management within the Company, Enel Chile has a Tax Control Framework (TCF). This framework establishes guidelines and methodological rules to consistently assess, control and manage tax risk, in accordance with the principles and guidelines established in the tax strategy.

The TCF seeks to identify the sources of tax risk that could arise, taking compliance with tax regulations as a framework. To this end, it maps the respective processes and activities, identifying possible risk events, and then links control measures to each of them. This is done periodically, and results are made known to all relevant corporate functions and bodies, to establish the most appropriate way to mitigate such risks.

For further information on tax risks, please refer to the <u>Enel Chile 2021 Annual Report</u>.



## Transparent relationship with stakeholders

Our ESG performance

207-3

Enel Chile ensures transparency and integrity in its relations with tax authorities and acts with a transparent and collaborative approach with all institutions and associations involved in carrying out an effective tax system. Likewise, the Company is committed to absolute transparency on tax issues that may be of interest to third parties as well, trying to maintain updated and available information for anyone who wants to consult it on its website. In addition, since 2018, Enel Chile publishes its Total Tax Contribution

Report annually, which can also be downloaded from the Company's website.

Furthermore, the Company has internal channels through which possible tax violations can be reported. The Group's Code of Ethics serves as the framework within which Enel Chile operates in this arena, which contains appropriate provisions to ensure its effective implementation and requirements that must be considered to cover the provisions of the tax strategy.

## **Some figures**

207-4

The relevant figures consolidated for 2021, expressed in billions of pesos for Enel Chile, are presented below.

	Figures in billions of Chilean pesos
Revenues from sales to third parties	2,826
Income from intra-group transactions with other tax juris-dictions	1.2
Profit/loss before taxes	116
Tangible assets other than cash and cash equivalents	8,999
Corporate income tax paid	108
Corporate income tax accrued on profits or losses	(82)





## **Management for human rights**

#### 407-1 | 408-1 | 409-1 | 412-1

The respect and promotion of human rights is a fundamental element to enhance sustainable progress. That is why Enel Chile, through its business model, seeks to create value through innovation together with its stakeholders, to achieve excellence leveraged by respect for human rights throughout the value chain of its business activity and the territories in which it is present.

Contractive and participatory dialogue with different stakeholders provides unique opportunities to reconcile moving towards Net Zero and the social impacts it entails. Enel Chile's human rights approach considers the Guiding Principles on Business and Human Rights of the United Nations (UN), which since 2011 establishes the authorized

global standards for assessing management systems and human rights risks related to business activity, and describes the obligation of organizations to respect them, acting in accordance with due diligence to avoid violating the rights of others and to address the adverse impacts in which they can be involved.

In 2013 and upon approval by the Board of Directors, Enel Group adopted the UN Guiding Principles for Business and Human Rights approach to "Protect, Respect and Remedy", through the drafting of a policy dedicated to human rights in each of its companies. This commitment strengthens and deepens the values and pillars of Enel Chile's corporate ethics, based on the Code of Ethics, the Zero Tolerance to Corruption Plan and the Enel Global Compliance Program.

PROTECT	RESPECT	REMEDY
Ensuring human rights through appropriate policies and standards.	To understand and disclose human rights impacts, as well as mitigation and corrective measures.	<b>0</b> ,

#### **Protect**

Enel Chile has a Policy approved by its Board of Directors, updated in November 2021, to adapt to the evolution of international reference frameworks and its own operational, organizational and management processes. This Policy establishes the commitment and responsibilities that all people working in Enel Chile and its subsidiaries assume in relation to human rights, and especially those that apply to its business activities and industrial operations, as well as the standards to be met by its stakeholders. It also promotes the adherence of its contractors, suppliers and business partners to the same principles, paying particular attention to conflict and high-risk situations.

The 12 principles of the updated Human Rights Policy, available on the <a href="https://www.enel.cl">www.enel.cl</a> website, are grouped into

two macro themes: "Work practices" and "Community and society". The Policy also focuses on how environmental issues and climate change are interconnected with human rights, since the implementation of measures to mitigate their effects cannot be carried out without giving their social impact due consideration.

#### Work practices:

- Rejection of forced or compulsory labor and child labor and any form of slavery and human trafficking.
- 2. Respect for diversity and non-discrimination.
- 3. Freedom of association and collective bargaining
- 4. Health, safety and welfare
- 5. Fair and favorable working conditions



#### Community and society:

- 6. Environment
- 7. Respect for community rights
- 8. Respect for the rights of local communities
- 9. Respect for the rights of indigenous and tribal peoples.
- 10. Integrity: zero tolerance for corruption
- 11. Privacy
- 12. Communications

The principles included have been selected for their relevance to Enel Chile's business activities and relations, and the updated version is the result of a consultation process at the global and country level, carried out in line with the UN "Guidance for Business: How to Develop a Human Rights Policy" and has involved employees, suppliers, human rights experts, think tanks, NGOs and other companies.

Some of the most relevant additions to the text are:

- Introduction and integration of the scope of application of the Policy in terms of stakeholder categories specifically correlated to Enel Chile's value chain.
- The principles "Respect for diversity and nondiscrimination" and "Health and safety" are reinforced.
   The latter now includes a reference to respect for physical and psychological well-being, as well as the integration of work and personal life.

- Three principles are added to the "Communities and Society" section:
  - "Environment", in the understanding that a safe, clean, healthy and sustainable environment is integral to the full enjoyment of a wide range of human rights, ensuring alignment with the Environmental Policy and introducing the notion of respect for biodiversity.
  - "Respect for the rights of local communities" and "Respect for the rights of indigenous and tribal peoples" (the latter, in line with Convention No. 169 of the International Labor Organization, ILO), which were previously included in the principle "Respect for the rights of communities".
  - The "Privacy and Communications" principle was divided into two distinct principles, "Privacy" and "Communications", with the ensuing strengthening of each of its messages, as well as of the correlation with customers, which was covered in more detail.

The principles expressed in the Policy are inspired by the Universal Declaration of Human Rights; the International Convention on Civil and Political Rights; the International Convention on Economic, Social and Cultural Rights; and the principles relating to fundamental rights set forth in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work

In line with the United Nations Guiding Principles on Business and Human Rights, Enel Chile has a complaints mechanism where internal and external stakeholders can report a situation in which they believe their fundamental rights are being violated in accordance with the principles of Enel Chile's Human Rights Policy, through the Internal Audit Management or through the Ethics Channel.

If a violation of the principles contained in the Human Rights Policy is found following a complaint, the corresponding procedure provided for in the Code of Ethics will be applied.

Enel Chile ensures that whistleblowers are not subject to any act of retaliation and that their identity remains confidential, unless otherwise required by law.

For more information on the whistleblower channel, see Governance.





Enel Chile is committed to monitor the implementation of the Policy with different instruments i) through a specific due diligence process, ii) by promoting practices in line with a fair and inclusive transition, and iii) by reporting evidence of the actions identified in the Improvement Plan to prevent and remedy possible non-compliance instances.

Specifically, as required by UN guidelines, a specific human rights due diligence process has been developed (described below). This process covers the entire value chain throughout the territory in which Enel Chile is present and aims to identify whether any of its operating procedures and processes require an improvement plan to strengthen its Management System, to ensure compliance with the commitments made in the Human Rights Policy.

The organizational and corporate governance model that establishes well-defined objectives, tasks and responsibilities of the main governing bodies, management and areas of the Company, ensures that sustainability and, therefore, respect for the commitment to human rights, is an integral part of the corporate decision-making process.

## Respect

Due diligence process as a human rights management mechanism

In order to apply the commitments contained in the Human Rights Policy, and to ensure their implementation and monitoring, and in accordance with the "OECD Guidelines for Multinational Enterprises" and the "Due Diligence Guidance for Responsible Business Conduct," Enel Chile implemented specific due diligence processes in 2016, which are executed in three-year cycles, and which consider the entire value chain for all business lines and operations, including the activities of generation, distribution, transmission and commercialization of electricity, as well as the management of the supply chain and corporate functions.

#### Steps in the due diligence process

- 1. Identification of the risks perceived by key stakeholders, at the country level, with respect to labor, local community and environmental rights
- 2. Gap analysis aimed at evaluating operational and risk monitoring processes, to identify the actual and potential impacts of Enel Chile's activities on human rights.
- 3. Development of Improvement Plan actions to cover the gaps and areas for improvement identified in the previous stages.
- 4. Follow-up on the progress of the implementation of the remediations included in the Improvement Plan.

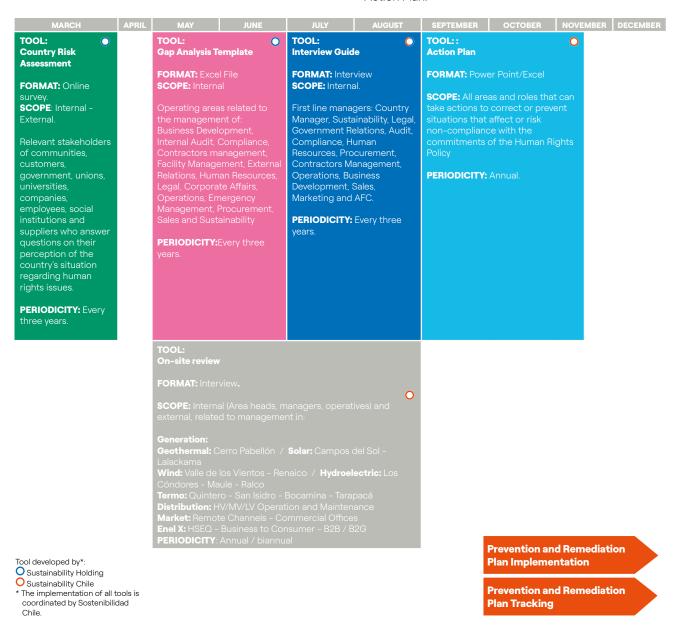




Thanks to the due diligence process of the Human Rights Management System, Enel Chile can evaluate 100% of the adopted policies and operating procedures to identify the risks of direct and indirect operations along the entire value chain and for new business relationships of Enel Chile (e.g., acquisitions, mergers, joint ventures, among others).

For the 2018/2019 process, an Action Plan was implemented and successfully completed in subsequent years to reach 100% compliance in 2019.

Another human rights due diligence process took place in 2020 and is presented below. The entire process was submitted to the Management Committee to report the main results obtained and the commitments made in the Action Plan.



#### 1. Country risk assessment

In 2020, Enel Chile, through consultation with relevant stakeholders and experts from different sectors, carried out an analysis of the national reality, to delve deeper into the context in which the Company operates in terms of human rights, and identify the most relevant risks related to the business.

This consultation identified relevant issues in nine categories: Fair working conditions; Diversity; Child labor including child trafficking; Forced labor including human trafficking; Freedom of association; Occupational safety; Community; Indigenous community; and Environment.

In each category, respondents were asked to indicate the level of impact and likelihood, in accordance with:





- Impact if a certain situation is not complied with in your country, according to the following classification: 1: Very low impact / 2: Low impact / 3: Medium impact / 4: High impact / 5: Very high impact.
- Existing probability that this situation will not be complied with in your country, according to the following classification: 1: Unlikely / 2: Somewhat unlikely / 3: Likely / 4: Moderately likely / 5: Very likely.

Results obtained from the context in Chile indicate that issues related to corruption, environmental impacts and diversity and inclusion in the organization, present a **high priority risk** assessment and issues related to labor practices and mitigation of impacts on local and indigenous communities with which the Company coexists, present a **medium risk** assessment.

These aspects are also relevant for Enel Chile and management addresses them via special plans. On the other hand, health and safety issues in the workplace continue to be perceived as a crucial issue to monitor.

#### 2. Evaluation of Enel Chile's impacts

Enel Chile carried out an analysis of the entire value creation chain, to evaluate the practices and policies adopted on human rights and analyze its organization and control systems to identify current and potential impacts that the Company has on each of the aspects included in the Human Rights Policy. To this end, we acted on three levels:

#### - Gap analysis

A self-assessment of Enel's management in Chile was conducted, which includes an analysis at the operational level of the Company's policies, procedures, systems and practices in each area of its value chain, through the consideration of more than 100 indicators. The assessment examined four parameters defined by the UN Guiding Principles on Business and Human Rights:

- Public commitment to respect human rights
- Adoption of due diligence process for human rights issues
- Development of Action Plans to remedy any impacts identified in the due diligence process
- Adaptation to local context and rules

Results obtained indicated that Enel Chile has a robust set of mechanisms and an adequate management system to protect it against the occurrence of possible human rights violations, so that the risks identified can be satisfactorily managed.

#### in-depth interviews with managers

In-depth interviews were conducted with senior management to analyze the level to which this echelon integrates respect for human rights as key to Company processes, thus identifying potential risks and opportunities for growth.

#### On-site reviews

The on-site review included interviews with Enel's employees and stakeholders in Chile, to learn about compliance with the Human Rights Policy in Enel's areas and facilities. In 2020, due to the health contingency, the interviews were conducted remotely through video calls. In addition, and to collect the perception of the different stakeholders, qualitative and quantitative methodologies were used to identify the most relevant situations in terms of human rights. Some of the instruments used to identify these situations are:

- Semi-directive interviews with Enel Chile managers and operation heads to review 2020 priorities, which also included follow-up of previous due diligence processes.
- Semi-directive interviews with internal and external stakeholders, to identify non-compliance with Human Rights Policy commitments in operations.
- Semi-directive interviews intended to validate information, to personnel from specific operational areas of Enel Chile.
   The goal is to verify and complement the findings of the process.
- 2020 Materiality Survey that included specific questions on human rights.
- Self-administered survey to union leaders, to assess compliance with the principles of the Human Rights Policy.

A total of 651 consultations were conducted with workers, contractors, suppliers, local communities, customers, including women, representatives of indigenous peoples, migrants and other people who are part of Enel Chile's stakeholders. The questionnaire covered potential risks of its own operations and the value chain.



The instruments applied made it possible to ascertain general perceptions regarding compliance and possible non-compliance with the eight principles of Enel Chile's Human Rights Policy up to that time.

Among the situations that were identified and validated, 28 correspond to Risks and only one to Concern, associated with two different accidents resulting in death in the Alto Maule sector, which were addressed and reported in the Sustainability Report of the respective year.

**Concerns:** situations where there is evidence or objective demonstration that the Company's activity has caused one or more negative consequences on the human rights commitments of Enel's Policy.

**Risks:** situations where, in the absence of objective evidence or demonstration, experience suggests that failure to address these issues could have one or more negative consequences on Enel's human rights policy commitments.

It is important to understand that new risks and situations that may eventually affect the human rights of stakeholders

are always emerging. For example, in 2020, 25% of the findings are related to Covid-19. Therefore, the due diligence process has become an effective tool to identify them preventively and manage them with the utmost responsibility.

In relation to the overall results of the four due diligence processes carried out, there has been a progressive decrease in the situations identified, with a 64% decrease in findings over the last six years. This confirms that this process is an effective tool for detecting risks and acting preventively to address them.

The most prominent example is the Bocamina Power Plant, which had a 71% reduction in the situations detected since its first due diligence in 2016, and the total reduction is expected once its closure process culminates. due to the Company's decarbonization plan.

Enel Chile systematically maps potential risks that could arise and according to the Company's materiality and the evaluation of the probability of occurrence and impact, they could be incorporated into the Company's risk matrix.





## Remedy

#### **Action Plans**

The risks and opportunities for improvement identified in the previous steps led to the definition of specific preventive and corrective actions that are part of the Action Plan to address, mitigate or control each risk and/or situation detected.

To achieve this objective, during June and July 2021, 18 virtual meetings were held with 39 representatives of the areas related to each risk. These meetings reviewed the actions that had been implemented in the months following the disclosure of the results of the due diligence process, and the new measures to be developed during 2021 or beyond.







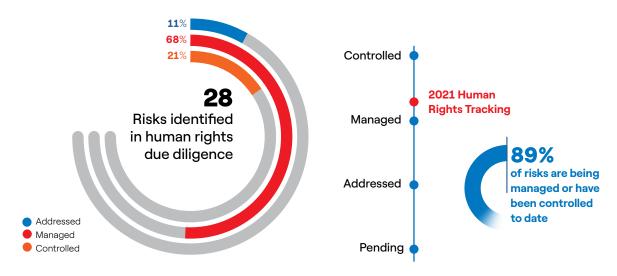
Based on the agreements reached and the effect it could have on the risk(s) detected, the results were classified into four categories: Pending, Addressed, Managed and Controlled.

<u>Status</u>	% Complete	Meaning
Pending	0	The risk has not yet been addressed.
Addressed	33	Preliminary progress has been made.
Managed	66	There is an advanced level of management.
Controlled	100	The risk was controlled or mitigated.

As a result of this process, at the end of 2021, **82%** of the risks identified are being managed or have been controlled during the period, and only **13%** are in a state of being addressed, which means that their level of progress is preliminary. It is worth mentioning that the most significant risks were incorporated into the Company's risk matrix, as a sign of relevance to ensure their proper monitoring and management.



# Upon completion of the remediation process and 2021 tracking of human rights due diligence



To cover these opportunities for improvement, an Action Plan has been defined containing preventive and corrective actions, the development of which was carried out during 2021, reaching 82% progress and will continue during 2022. The main actions carried out in the Action Plan are as follows:

- Design and progressive development of a human rights training program aimed at facilitating general training for all employees.
- Inclusion of human rights criteria in the vendor rating process.
- Inclusion of human rights aspects in the sustainability questionnaire for contractors.
- Communication and dissemination of the Ethical Channel to suppliers and contractors.

#### **Training and information**

Embodying Enel Chile's commitment to human rights, in 2021 the Company provided nearly 27 thousand hours of training on sustainability issues, of which human rights are a key part; specifically, the courses focused mainly on environmental and health and safety issues for workers, with an average of 14 hours of training per employee.

## Human Rights and Business Program for social leaders

Enel Chile finances the training of social representatives and community leaders from different territories of the country in which it is present, in a Diploma program on Human Rights and Business. Leaders of the community of Mapupilmaiquén, from the commune of Coronel and Quintero, were the first participants to receive the diploma of the 2021–2022 curriculum.

Judith Schönsteiner, an expert in Human Rights and Business, is the director of this Universidad Diego Portales Diploma course, which is the first educational program in Chile to address the challenges of implementing respect for human rights in business.

For Enel Chile, the fact that local leaders participate constitutes a way to install capacities in community leaders of different territories so that they can be ambassadors and influencers within their regions, allowing them to promote and accelerate the respect, protection and guarantee of human rights. It also allows Enel Chile to position itself as a pioneering company in the professionalization of territorial leaders in Fundamental Rights.



# 3 Annexes

Methodological Note

Verification letter

Performance indicators

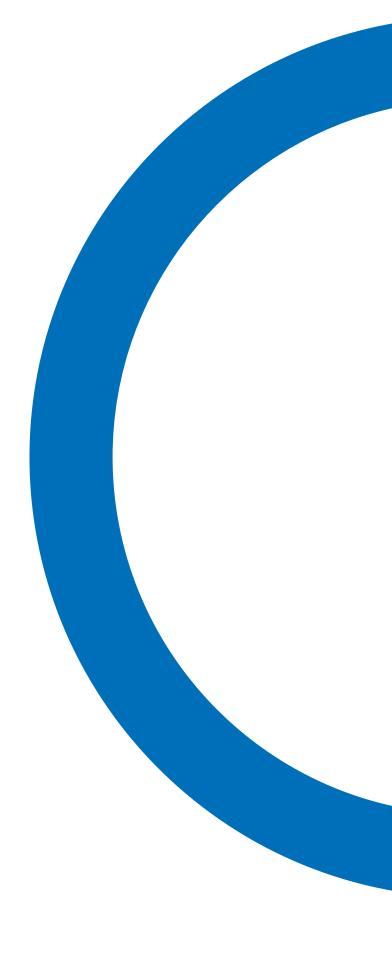
Controversies

GRI contents index

SASB contents index

World Economic Forum contents index

TCFD contents index













# **Methodological Note**

102-50 | 102-51 | 102-52 | 102-53 | 102-54

The Company presents its twelfth annual Sustainability Report, and the sixth under Enel's management. This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, in their most updated versions, and, for the second time, incorporates the Sustainability Accounting Standards Board (SASB), Industry Standards Version 2018-10, Electric Utilities & Power Generators sector.

Information reported corresponds to all the operations of Enel Chile, accounting for the economic, social and environmental management of the period from January 1 to December 31, 2021, considering the operations of Enel Chile and all its subsidiaries.

The Sustainability Report responds to the Communication on Progress (COP) of the United Nations Global Compact, the IIRC (International Integrated Reporting Council) model and the SDG Compass, a guide that facilitates the alignment of sustainability strategies with the United Nations Sustainable Development Goals. The document was submitted to an external verification process, which was done by KPMG, and responds to a structure that is in line with the strategic priorities of Enel's Sustainability Plan.







# **Verification letter**

102-56



Independent Accountant's Report "2021 Sustainability Report Enel Chile S.A."

To
The President and Directors
Enel Chile S.A.

We have conducted a limited assurance engagement of the content and data related to GRI indicators disclosed in the 2021 Sustainability Report of Enel Chile S.A. as of December 31, 2021.

Management of Enel Chile is responsible for the preparation of the Sustainability Report. Additionally, Management of Enel Chile S.A. is responsible for the contents, assertions, scope definition and the management and control of information systems which provided the information reported.

We conducted our review in accordance with ISAE 3000 standard and the attestation engagement standards issued by the Colegio de Contadores de Chile A.G. A limited assurance engagement is less in scope than an examination, the objective of which is to express and opinion on the "2021 Sustainability Report Enel Chile S.A." Accordingly, we do not express such an opinion.

Contents and data disclosed in the "2021 Sustainability Report of Enel Chile S.A." were reviewed considering the criteria established in the Global Reporting Initiative (GRI) Reporting Standard as well as Enel Chile S.A.'s internal guidelines, which are summarized as follows:

- Determine that contents and data related to the GRI indicators disclosed in "2021 Sustainability Report of Enel Chile S.A." are duly supported with sufficient evidence.
- Determine that Enel Chile S.A. has prepared the contents and data disclosed in its "2021 Sustainability Report of Enel Chile S.A.", in accordance with the Principles on Content and Quality as established by the GRI Standard and its internal quidelines
- Confirm the core option stated by Enel Chile S.A. in the "2021 Sustainability Report of Enel Chile S.A.", in accordance with the GRI Standard.

Our procedures considered making inquiries of the Management and Business Units of Enel Chile S.A. involved in the process of developing the report, as well as performing other analytical procedures and tests, described below:

- Virtual visit to the Company's San Isidro Plant.
- Interviews with Enel Chile S.A.'s key personnel, in order to assess the preparation process of the contents and data disclosed in the 2021 Sustainability Report, content definition and information systems used.
- Verification of contents and data disclosed in the "2021 Sustainability Report of Enel Chile S.A." through supporting documentation provided by Enel Chile S.A.
- Analysis of the collection process and the quality control of contents and data disclosed in the "2021 Sustainability Report of Enel Chile S.A.".
- Verification of data reliability using analytical procedures, testing on a sample basis and the review of recalculations.
- Interviews by video-conference with those responsible for the process for preparing the "2021 Sustainability Report of Enel Chile S.A."
- Review of the wording of the "2021 Sustainability Report of Enel Chile S.A."

Based on the procedures performed, nothing came to our attention that caused us to believe that:

- Contents and data disclosed in the "2021 Sustainability Report of Enel Chile S.A." are not duly supported with sufficient evidence.
- Contents and data disclosed in the "2021 Sustainability Report of Enel Chile S.A." has not been prepared in accordance with the Principles on Content and Quality as established by the GRI Standard and Enel Chile S.A.'s internal guidelines.
- The "2021 Sustainability Report of Enel Chile S.A." does not comply with the core option stated by Enel Chile S.A. in accordance with the GRI Standard.

Very truly yours,

KPMG SpA

Karin Eggers Partner

Santiago, April 25, 2022





# **Performance indicators**

#### **Context**

## **Net installed capacity**

GRI/EUSS	KPI	Unit	2021	2020	2019		
EU 1	Installed capacity						
	Net capacity by primary source						
	Net thermal capacity	MW	2,391	2,390	2,509		
	Coal	MW	320	320	439		
	CCGT	MW	1,468	1,467	1,467		
	Oil/Gas	MW	603	603	603		
	Net renewable capacity	MW	5,583	4,729	4,723		
	Hydroelectric	MW	3,551	3,551	3,548		
	Wind	MW	642	642	642		
	Geothermal	MW	69	41	41		
	Solar	MW	1,321	495	492		
	Total net electrical capacity	MW	7,973	7,118	7,232		

## **Generation by technology**

GRI/EUSS	KPI	Unit	2021	2020	2019
EU 2	Generation by technology				
	Hydroelectric	GWh	7,743	9,713	10,578
	Coal	GWh	2,327	1,988	3,269
	Oil-Gas	GWh	5,714	4,464	3,965
	Solar	GWh	1,235	1,177	1,190
	Wind	GWh	1,731	1,768	1,845
	Geothermal	GWh	284	221	194
	Total	GWh	19,034	19,331	21,041

## Average plant availability factor by energy source and by regulatory regime

GRI/EUSS	KPI	Unit	2021	2020	2019			
EU 30	Availability of thermoelectric generation by regulatory regime							
	Regulated	%	-	-	-			
	Nonregulated	%	94.8	95.4	92.3			
EU 30	Thermoelectric generation availability by primary energy source							
	Coal-fired power plants	%	91.6	92.1	82			
	Oil/gas power plants	%	90.3	97.1	98			
	Combined cycle power plants	%	97.3	95.7	94			
	Global thermoelectric generation availability	%	94.8	95.4	92			



#### **Electricity sales by type of customer**

Our ESG performance

GRI/EUSS	KPI	Unit	2021	2020	2019		
102-7	Electricity sales - Distribution Chile						
	Residential customers	GWh	5,140	5,006	4,897		
	Commercial customers	GWh	2,029	4,606	4,924		
	Industrial customers	GWh	726	1,687	1,954		
	Other customers	GWh	8,773	5,183	5,360		
	Total energy sales	GWh	16,668	16,481	17,135		
	Electricity sales - Generation Chile						
	Regulated customers	GWh	10,056	10,838	12,712		
	Non-regulated customers	GWh	17,528	11,043	9,902		
	Others	GWh	630	1,079	899		
	Total energy sales	GWh	28,214	22,960	23,513		

## Service and quality relationship with our customers

### **Disconnected customers for non-payment**

GRI/EUSS	KPI	Unit	2021	2020			
EU27	By time from disconnection to payment						
	Less than 48 hours	N°	1,307	73,078			
	48 hours - 1 week	N°	113	6,715			
	1 week - 1 month	N°	127	7,051			
	1 month - 1 year	N°	172	5,709			
	Over 1 year	N°	0	3			
	Total	N°	1,719	92,556			
EU27	By time from payment to reconnection						
	Less than 24 hours	N°	3,378	102,178			
	24 hours - 1 week	N°	166	668			
	Over 1 week	N°	12	238			
	Total	N°	3,556	103,084			

#### Notes:

- 1) During 2021, disconnections for non-payment were reduced due to the fact that Laws No. 21,301 and No. 21,340 were in force for most of the year, preventing disconnections for non-payment. The difference of 1,837 is due to the reconnections of customers who paid their bills in 2021 and had been disconnected in previous years.
- 2) In August 2020, Law No. 21,249 was made official, making it impossible to cut off supply due to non-payment. The difference of 10,528 is due in part to the reconnection of customers who paid their bills in 2020, who had been disconnected in previous years, and to the reconnection of customers who took advantage of payment agreements offered by Enel prior to the enactment of the law.

## Population without electricity service

GRI/EUSS	KPI	Unit	2021
EU26	Estimated unserved population		
	Total unserved population	N°	44.700
	Total population in concession areas	N°	5,178,278
	Percentage of population without service	%	0,86

#### Notes

- 1) Value calculated based on the number of households without electricity supply in informal settlements or slums in the Metropolitan Region and considering 4 members per household.
- 2) Population within Enel Distribución's concession area, which is calculated using information from the 2017 CENSUS.





# **People**

## **Personnel**

GRI/EUSS	KPI	Unit	2021	2020	2019				
L02-7	Total number of employees								
	Enel Chile								
	Total Enel Chile	%	22.6	22.3	22.5				
	Enel X Chile								
	Total Enel X Chile	%	4.5	0.7	0.3				
	Enel Generación Chile								
	Total Enel Generación Chile	%	29.7	30.2	32.9				
	Enel Green Power Chile								
	Total Enel Green Power Chile	%	13.7	12.8	9.9				
	Enel Distribución Chile								
	Total Enel Distribución Chile	%	25.1	34.0	34.4				
	Enel Transmisión Chile								
	Total Enel Transmisión Chile	%	4.4	-	_				
	Total Chile								
	Total	N°	2,215	2,119	2,133				
102-8	Total number of employees by position	n	<u> </u>		-				
	Senior executives and other managers								
	Enel Chile	%	4.2	4.5	4.4				
	Enel X	%	2.0	6.7	16.7				
	Enel Generación Chile	%	2.3	2.5	2.7				
	Enel Green Power	%	1.0	0.7	0.5				
	Enel Distribución Chile	%	2.2	1.7	1.9				
	Enel Transmisión Chile	%	1.0		1.0				
	Total	% %	2.4	2.5	2.6				
	Professionals and technicians	76	2.4	2.3	2.0				
		0/	00.0	00.1	00.1				
	Enel Chile	%	90.0	89.1	88.1				
	Enel X	<u>%</u> %	94.9	86.7	66.7				
	Enel Generación Chile		89.1	87.6	85.2				
	Enel Green Power	%	98.0	98.2	98.1				
	Enel Distribución Chile	%	94.4	94.0	93.9				
	Enel Transmisión Chile	%	98.0	-					
	Total	%	92.5	91.5	90.1				
	Contributors and others								
	Enel Chile	%	5.8	6.5	7.5				
	Enel X	%	3.0	6.7	16.7				
	Enel Generación Chile	%	8.7	9.9	12.1				
	Enel Green Power	%	1.0	1.1	1.4				
	Enel Distribución Chile	%	3.4	4.2	4.2				
	Enel Transmisión Chile	%	1.0	-					
	Total	%	5.1	6.0	7.3				
102-8	Total number of employees by gender	and							
	type of contract								
	Indefinite								
	Men	N°	1,671	NA	NA				
	Women	N°	531	NA	NA				
	Total indefinite	N°	2,202	NA	NA				
	Fixed-Term								
	Men	N°	4	NA	NA				
	Women	N°	2	NA	NA				
	Total fixed term	N°	6	NA	NA				
	For specific tasks								
	Men	N°	7	NA	NA				
	Women	N°	0	NA	NA				
	Total for specific tasks	N°	7	NA	NA				
	Full time								
	Men	N°	1,682	NA	NA				



GRI/EUSS	KPI	Unit	2021	2020	2019
	Women	N°	533	NA	NA
	Total full time	N°	2,215	NA	NA
	Part time				
	Men	N°	0	NA	NA
	Women	N°	0	NA	NA
	Total part time	N°	0	NA	NA
	Work Flexibility				
	Men	N°	0	NA	NA
	Women	N°	0	NA	NA
	Total work flexibility	N°	0	NA	NA
102-8	Total number of employees by contract and location	J			
	Indefinite				
	l Region - Tarapacá	N°	7	NA	NA
	II Region - Antofagasta	N°	130	NA	NA
	III Region - Atacama	N°	23	NA	NA
	IV Region – Coquimbo	N°	7	NA	NA
	V Region – Valparaíso	N°	61	NA	NA
	VI Region – O'Higgins	N°	26	NA	NA
	VII Region - Maule	N°	46	NA	NA
	VIII Region - Bío	N°	119	NA	NA
	IX Region – La Araucanía	N°	5	NA	NA
	X Region - Los Lagos	N°	2	NA	NA
	XI Region - Aysén	N°	0	NA	NA
	XII Region - Magallanes	N°	0	NA	NA
	XIII Region - Metropolitana de Santiago	N°	1,747	NA	NA
	XIV Region - Los Ríos	N°	7	NA	NA
	XV Region - Arica y Parinacota	N°	0	NA NA	NA
	XVI Region - Ñuble	N°	0	NA NA	NA NA
		N°	22	NA NA	NA NA
	Region de la Puna - Argentina	N°			
	Total Indefinite	IN	2,202	NA	NA
	Fixed term	N10	0	NIA .	NIA.
	I Región - Tarapacá	N°	0	NA NA	NA
	II Región – Antofagasta	N°	0	NA	NA
	III Región – Atacama	N°	0	NA	NA
	IV Región - Coquimbo	N°	0	NA	NA
	V Región – Valparaíso	N°	0	NA	NA
	VI Región – O'Higgins	N°	0	NA	NA
	VII Región – Maule	N°	0	NA	NA
	VIII Región – Bío Bío	N°	0	NA	NA
	IX Región – La Araucanía	N°	0	NA	NA
	X Región – Los Lagos	N°	0	NA	NA
	XI Región – Aysén	N°	0	NA	NA
	XII Región - Magallanes	N°	0	NA	NA
	XIII Región – Metropolitana de Santiago	N°	6	NA	NA
	XIV Región – Los Ríos	N°	0	NA	NA
	XV Región – Arica y Parinacota	N°	0	NA	NA
	XVI Región - Ñuble	N°	0	NA	NA
	Región de la Puna - Argentina	N°	0	NA	NA
	Total fixed term	N°	6	NA NA	NA
	For specific tasks		J	IVA .	IVA
	l Región - Tarapacá	N°	0	NA	NA
	II Región - Antofagasta	N°	0	NA NA	NA NA
	III Región - Atacama	N°	0	NA NA	NA
	IV Región - Coquimbo	N°	0	NA	NA
	V Región – Valparaíso	N°	0	NA	NA
	VI Región - O'Higgins	N°	0	NA	NA
	VII Región - Maule	N°	7	NA	NA
	VIII Región – Bío Bío	N°	0	NA	NA
	IX Región – La Araucanía	N°	0	NA	NA
	X Región – Los Lagos	N°	0	NA	NA
	XI Región – Aysén	N°	0	NA	NA
	0 1				





GRI/EUSS	KPI	Unit	2021	2020	2019
	XII Región - Magallanes	N°	0	NA	NA
	XIII Región – Metropolitana de Santiago	N°	0	NA	NA
	XIV Región – Los Ríos	N°	0	NA	NA
	XV Región – Arica y Parinacota	N°	0	NA	NA
	XVI Región – Ñuble	N°	0	NA	NA
	Región de la Puna - Argentina	N°	0	NA	NA
	Total For specific tasks	N°	7	NA	NA
.02-8	Total number of employees by gender and location			NA	NA
	Men			NA	NA
	l Region - Tarapacá	N°	6	NA	NA
	II Region – Antofagasta	N°	118	NA	NA
	III Region – Atacama	N°	20	NA	NA
	IV Region – Coquimbo	N°	7	NA	NA
	V Region – Valparaíso	N°	58	NA	NA
	VI Region – O'Higgins	N°	24	NA	NA
	VII Region - Maule	N°	47	NA	NA
	VIII Region – Bío Bío	N°	103	NA	NA
	IX Region – La Araucanía	N°	5	NA	NA
	X Region – Los Lagos	N°	2	NA	NA
	XI Region – Aysén	N°	0	NA	NA
	XII Region - Magallanes	N°	0	NA	NA
	XIII Region – Metropolitana de Santiago	N°	1,265	NA	NA
	XIV Region - Los Ríos	N°	7	NA	NA
	XV Region - Arica y Parinacota	N°	0	NA	NA
	XVI Region – Ñuble	N°	0	NA	NA
	Region de la Puna - Argentina	N°	20	NA	NA
	Total	N°	1,682	NA	NA
	Women		•		
	I Región - Tarapacá	N°	1	NA	NA
	II Región – Antofagasta	N°	12	NA	NA
	III Región - Atacama	N°	3	NA	NA
	IV Región – Coquimbo	N°	0	NA	NA
	V Región – Valparaíso	N°	3	NA	NA
	VI Región – O'Higgins	N°	2	NA	NA
	VII Región - Maule	N°	6	NA	NA
	VIII Región - Bío Bío	N°	16	NA	NA
	IX Región - La Araucanía	N°	0	NA	NA
	X Región – Los Lagos	N°	0	NA	NA
	XI Región - Aysén	N°	0	NA	NA
	XII Región - Magallanes	N°	0	NA	NA
	XIII Región - Metropolitana de Santiago	N°	488	NA	NA
	XIV Región – Los Ríos	N°	0	NA NA	NA
	XV Región - Arica y Parinacota	N°	0	NA NA	NA
	XVI Región – Ñuble	N°	0	NA NA	NA NA
	Región de la Puna - Argentina	N°	2	NA	NA

# **Parental Program**

GRI/EUSS	KPI	Unit	2021	2020	2019
401-3	Postnatal leave				
	Enel Chile				
	Men	N°	4	3	0
	Women	N°	13	7	3
	Total Enel Chile	N°	17	10	3
	Enel X				
	Men	N°	2	0	0
	Women	N°	0	0	0
	Total Enel X Chile	N°	2	0	0
	Enel Generación Chile				



GRI/EUSS	KPI	Unit	2021	2020	2019
	Men	N°	10	5	2
	Women	N°	6	4	2
	Total Enel Generación Chile	N°	16	9	4
	Enel Green Power Chile				
	Men	N°	5	1	1
	Women	N°	1	1	5
	Total Enel Green Power Chile	N°	6	2	6
	Enel Distribución Chile				
	Men	N°	6	5	0
	Women	N°	5	5	2
	Total Distribución Chile	N°	11	10	2
	Enel Transmisión Chile				
	Men	N°	2	-	-
	Women	N°	0	-	-
	Total Transmisión Chile	N°	2	-	-
	Total				
	Men	N°	29	14	3
	Women	N°	25	17	12
401-3	Parental Leave				
	Enel Chile	N°	17	10	3
	Enel X	N°	2	0	0
	Enel Generación Chile	N°	16	9	4
	Enel Green Power	N°	6	2	6
	Enel Distribución Chile	N°	11	10	2
	Enel Transmisión Chile	N°	2	-	-
	Total	N°	54	31	15

## **Diversity**

GRI/EUSS	KPI	Unit	2021	2020	2019		
405-1	Worker diversity by gender						
	Men	N°	1,682	1,707	1,651		
	Women	N°	533	512	482		
	Men	%	76	77	77		
	Women	%	24	23	23		
405-1 <sup>1</sup>	Worker diversity by age range						
	Under 30 years old	N°	107	119	141		
	Between 30 and 40 years old	N°	738	721	703		
	Between 41 and 50 years old	N°	753	708	652		
	Between 51 and 60 years old	N°	493	490	493		
	Between 61 and 70 years old	N°	121	177	140		
	Over 70 years old	N°	3	4	4		
	Under 30 years old	%	4.8	5.4	6.6		
	Between 30 and 40 years old	%	33.3	32.5	33.0		
	Between 41 and 50 years old	%	34.0	31.9	30.6		
	Between 51 and 60 years old	%	22.3	22.1	23.1		
	Between 61 and 70 years old	%	5.5	8.0	6.6		
	Over 70 years old	%	0.1	0.2	0.2		
405-1	Diversity of workers by nationality						
	Argentinean	N°	30	30	30		
	Australian	N°	1	0	0		
	Bolivian	N°	1	0	0		
	Brazilian	N°	5	5	6		
	Chilean	N°	2,066	2,099	2,030		
	Colombian	N°	17	17	14		
	Cuban	N°	0	0	0		
	Costa Rican	N°	1	1	0		
	Ecuadorian	N°	1	1	0		
	American (from the US)	N°	1	1	0		
	Spanish	N°	10	10	7		
	French	N°	1	1	1		
	Italian	N°	14	19	23		





GRI/EUSS	KPI	Unit	2021	2020	2019			
	Mexican	N°	1	1	1			
	Peruvian	N°	5	5	6			
	Rumanian	N°	1	1	0			
	Russian	N°	1	1	1			
	Salvadoran	N°	1	1	0			
	Venezuelan	N°	58	26	14			
	Total	N°	2,215	2,219	2,133			
405-1	Diversity of workers by seniority							
	Under 3 years	N°	496	441	426			
	Between 3 and 6 years	N°	297	266	242			
	More than 6 and less than 9 years	N°	194	247	271			
	Between 9 and 12 years	N°	253	212	210			
	Over 12 years	N°	975	1,053	984			
405-1	Diversity of managers by age range							
	Under 30 years old	N°	0	0	0			
	Between 30 and 40 years old	N°	4	6	10			
	Between 41 and 50 years old	N°	23	25	23			
	Between 51 and 60 years old	N°	20	19	19			
	Between 61 and 70 years old	N°	5	5	4			
	Over 70 years old	N°	0	0	0			
	Total	N°	52	55	56			
405-1	Diversity of managers by nationality							
	Brazilian	N°	1	1	0			
202-2	Chilean2	N°	40	43	47			
	Colombian	N°	0	1	0			
	Costa Rican	N°	1	1	0			
	Spanish	N°	2	1	0			
	Italian	N°	7	7	8			
	Peruvian	N°	1	1	1			
	Total	N°	52	55	56			
405-1	Diversity of managers by seniority							
	Under 3 years	N°	6	9	10			
	Between 3 and 6 years	N°	8	7	5			
	More than 6 and less than 9 years	N°	4	2	3			
	Between 9 and 12 years	N°	1	2	-			
	Over 12 years	N°	33	35	38			
	Total	N°	52	55	56			

#### Notes:

- 1. The diversity of employees by age range is based on the General Standard No. 461 of the Financial Market Commission, which differs from the requirements of the GRI Standard.
- 2. The percentage of managers hired from the local community -which is delimited on Chilean national soil- is 77%.

## Diversity at the executive level

	GRI/EUSS	Unit	2021			
405-1	Diversity of Senior Executives and Other Managers by Gender					
	Total Governing Body Composition	N°	7			
	Composition by gender					
	Woman	N°	2			
	Man	N°	5			
	Woman	%	29			
	Man	%	71			
405-1	Composition by age group					
	Under 30 years old	N°	0			
	Between 30 and 40 years old	N°	0			
	Between 41 and 50 years old	N°	3			
	Between 51 and 60 years old	N°	0			
	Between 61 and 70 years old	N°	1			
	Over 70 years old	N°	3			

Note: The diversity by age range is based on the General Rule No. 461 of the Financial Market Commission, which differs from the requirements of the GRI Standard.



## Female participation

GRI/EUSS	KPI	Unit	2021	2020	2019			
-	Female participation							
	Female participation in the total workforce	%	24	23	22			
	Women in management positions (as % of total management roles)	%	20	19	17			
	Women in senior/top management positions (up to 2 positions below the CEO)	N°	7	6	5			

## Internal mobility and rotation

GRI/EUSS	KPI	Unit	2021	2020	2019			
401-1	Internal mobility							
	Internal mobility over total	%	4.6	4.6	4.3			
401-1	Internal vacancies							
	Open vacancies	N°	306	239	370			
	Vacancies filled by internal candidates	N°	101	100	150			
	Vacancies filled by internal candidates	%	33	42	41			
101-1	New hires							
	Men	N°	142	115	157			
	Women	N°	73	50	61			
	Under 30 years of age	N°	59	27	61			
	Between 30 and 50 years old	N°	146	132	146			
	Over 50 years old	N°	10	6	11			
101-1	New hires and terminations by line of business							
	Enel Chile							
	New hires	N°	48	29	43			
	New hire rate	%	9,7	5,9	NA			
	Redundancies	N°	47	16	NA			
	Enel X							
	New hires	N°	25	5	3			
	New hire rate	%	25.3	33.3	NA			
	Redundancies	N°	15	0	NA			
	Enel Generación Chile							
	New hires	N°	26	4	13			
	New hire rate	%	3.9	1.4	NA			
	Redundancies	N°	52	28	NA			
	Enel Green Power							
	New hires	N°	51	73	48			
	New hire rate	%	16.8	25.6	NA			
	Redundancies	N°	29	17	NA			
	Enel Distribución Chile							
	New hires	N°	51	54	110			
	New hire rate	%	9.1	7.2	NA			
	Redundancies	N°	70	35	NA			
	Enel Transmisión Chile							
	New hires	N°	14	-	-			
	New hire rate	%	14	-	-			
	Redundancies	N°	13	-	-			
	Total							
	New hires	N°	215	165	217			
	New hire rate	%	9.7	5.7	n.d			
	Redundancies	N°	226	96	n.d			
01-1	Rotation rate							
	Men	%	10.2	4.2	NA			
	Women	%	10.2	4.9	NA			
	Under 30 years of age	%	10.3	7.6	NA			
	Between 30 and 50 years old	%	5.6	4.8	NA			
	Over 50 years old	%	21.3	3	NA			
	Total Chile	%	10.2	4.3	6.7			
101-1	Voluntary rotation rate							
	Voluntary rotation rate	%	2.8	2.7	3,1			

Note: As part of the Voluntary Retirement Program, 113 people left the Company. The Voluntary Retirement Program corresponds to a package of economic benefits and support measures, which allows the worker to obtain additional conditions to those defined by the legal regulations, in order to recognize and thank the effort and commitment of the person throughout his years of service in the company.





## **Training**

RI/EUSS	KPI	Unit	2021	2020	2019		
104-1	Training hours						
	Enel Chile (included Enel X and Enel Green Power)						
	Training hours	N°	65,281	49,510	10,466		
	Trained workers	N°	1,006	746	307		
	Average hours of training	N°	65	66	34		
	Trained men	%	67	63	68		
	Trained women	%	33	37	32		
	Enel Generación Chile <sup>1</sup>						
	Training hours	N°	44,224	33,860	17,962		
	Trained workers	N°	684	682	406		
	Average hours of training	N°	65	50	44		
	Trained men	%	86	73	88		
	Trained women	%	14	27	12		
	Enel Distribución Chile <sup>2</sup>						
	Training hours	N°	33,644	42,848	12,378		
	Trained workers	N°	643	766	410		
	Average hours of training	N°	52	56	30		
	Trained men	%	77	75	80		
	Trained women	%	23	25	24		
	Enel Transmisión Chile						
	Training hours	N°	6,400	-	-		
	Trained workers	N°	117	-	-		
	Average hours of training	N°	55	-	-		
	Trained men	%	85	-	-		
	Trained women	%	15	-	-		
	Total						
	Training hours	N°	149,549	126,218	40,806		
	Trained workers	N°	2,450	2,193	1,123		
	Average hours of training	N°	61	58	36		
	Trained men	%	76	71	78		
	Trained women	%	24	29	22		
	Average training hours for the Manager category	N°	68	NA	NA		
	Average hours of training for the Middle Manager category	N°	70	NA	NA		
	Average hours of training for the White-Collar Category	N°	59	NA	NA		
	Average hours of training for the Blue-Collar category	N°	68	NA	NA		
	Average cost spent per FTE <sup>3</sup>	CLP	506,589	NA	NA		

#### Notes:

- 1. Includes Pehuenche
- 2. Includes Enel Colina
- 3. Average hours of training per Full Time Employee (FTE)

## **Corporate benefit plans**

GRI/EUSS	KPI	Unit	2021
EU15	Employee benefit plans		
	Employees covered by pension plan (benefit plan)	N°	2,215
	Employees covered by pension plan (benefit plan)	%	100

## Level of well-being and commitment 2020 by gender and age

GRI/EUSS KPI	Unit	Women <40	Women 40-50	Women >50	Men<40	Men 40-50	Men>50
	%	92%	94.3%	89.5%	92.6%	94.5%	95.8%



Our ESG performance

## **Retirement**

GRI/EUSS	KPI	Unit	2021	2020	2019			
EU15	Percentage of employees eligible to retire in the next 5 years out of the total of each labor category							
	Managers	%	11.8	14.5	11.5			
	Middle management	%	4.5	4.1	6.6			
	Professionals	%	9.2	10.4	11.2			
	Administrative and technical	%	2.8	6.4	6.8			
	Total	%	8.4	9.5	10.5			
	Percentage of employees eligible to retire in the next 10 years out of the total of each labor category							
	Managers	%	29.4	29.1	13.5			
	Middle management	%	14.5	13.2	11.8			
	Professionals	%	21.0	22.0	11.7			
	Administrative and technical	%	8.3	21.3	13.6			
	Total	%	20.0	20.9	11.8			

## **Performance evaluation**

GRI/EUSS	KPI	Unit	2021
404-3	Performance evaluation <sup>1</sup>		
	Men	%	97
	Women	%	97
	Manager	%	100
	Middle Manager	%	99
	White-Collar	%	97
	Blue-Collar	%	50
	Total evaluated <sup>2</sup>	N°	2,149

<sup>(1)</sup> Eligible persons: those who have a permanent contract and have been in place and active for at least 3 months during the year. (2) % calculated on the total number of employees 2021.

## Salary gap

GRI/EUSS	KPI	Unit	2021	2020	2019
405-2	Ratio of base salary and remuneration of women to men				
	Executive level - Base salary	%	96	96	96
	Executive level - Total salary	%	93	93	92
	Manager level - Base salary	%	88	91	100
	Manager level - Total salary	%	88	92	101
	Outside management level - Base salary	%	90	89	87
	Outside management level - Total salary	%	91	90	88

## **Unionization**

GRI/EUSS	KPI	Unit	2021	2020	2019		
102-41	Percentage of total employees covered by collective bargaining agreements						
	Enel Chile	%	68	NA	NA		
	Enel X Chile	%	55	NA	NA		
	Enel Generación Chile	%	73	NA	NA		
	Enel Green Power	%	65	NA	NA		
	Enel Distribución Chile	%	86	NA	NA		
	Enel Transmisión Chile	%	80	NA	NA		
	Total	%	73	77	74		





## **Communities**

## **Community initiatives**

GRI/EUSS	KPI	Unit	2021	2020	2019		
203-1	Contributions to the communities - LBG Method						
	Charitable donations	CLP	100,500,000	1,467,810,726	143,005,938		
	Investments in communities	CLP	11,458,656,210	13,462,839,933	18,532,945,923		
	Commercial initiatives with social impact	CLP	1,081,552,165	1,008,006,851	1,799,580,940		
	Total (expenses + investments)	CLP	12,640,708,375	15,938,657,510	20,475,532,801		

## **Supply chain**

## **Proportion of expenditure on local suppliers**

	KPI	Unit	2021
204-1	Local suppliers of materials and services		
	Local suppliers with contract > 1 thousand euros	N°	109
	Foreign suppliers with contract > 1 thousand euros	N°	24
	Spending on local suppliers with contract > 1,000 euros	CLP	692,041,791
	Spending on foreign suppliers with contract > 1,000 euros	CLP	223,976,885
	Concentration of spending on local suppliers	%	66
	Concentration of spending on foreign suppliers	%	21
204-1	Management tools		
	Qualified active companies	N°	589
	On-line bids as a percentage of all bids	%	85
	Online purchases as a percentage of all purchases	%	26
	Use of prescription	%	11

# **Environmental sustainability**

#### **Environmental fines**

GRI/EUSS	KPI	Unit	2021	2020	2019
GRI 307-1	Environmental or ecological penaltic	es in excess of US\$10,000			
	Number of sanctions	N°	0	0	2
	Number of fines (CLP)	CLP	0	0	12,307,050
	Allowance (CLP)	CLP	0	0	0

## **Energy efficiency in thermoelectric power plants**

GRI/EUSS	KPI	Unit	2021	2020	2019
GRI EU11	Energy efficiency in thermoelectric power plants				
	Net efficiency of coal-fired power plants	%	38.80	36.86	37.70



Net efficiency of gas-fired power plan	ite %	50.30	49.38	51.70
iver elliciency of gas-filed power plan	11.5	30.30	49.00	31.70

## Materials used and recycled inputs

RI/EUSS	KPI	Unit	2021	2020	2019			
801-1	Supplies							
	From non-renewable sources							
	Coal	thousands tons	927.5	843.2	1.319,70			
	Natural gas	thousand m³	1,245.30	1,051.30	163.2			
	Diesel <sup>1</sup>	thousands tons	50.56	13.6	67.2			
	From renewable sources							
	Geothermal steam used for electricity production	thousands tons	2,643	2,361	7,869			
	Consumables							
	Lime	thousands tons	10.54	0.05	9.9			
	Ammonium	thousands tons	0.008	3.02	59.5			
	Caustic soda	thousands tons	0.40	232.79	264.83			
	Slaked lime	thousands tons	0.00	9.375	7.553			
	Sulfuric / hydrochloric acid	thousands tons	0.98	636.65	783.32			
	Others	thousands tons	4.01	513.81	674.97			
	Total	thousands tons	15.93	10,761.32	9,345.54			
01-2	Materials used - total consumption of each resource							
	Lubricant	tons	13.23	1,893.97	41,49			
	Dielectric oil		12,058.17	1.31	2.44			
	Ferric chloride	tons	6.40	3.72	5.93			
	Printing paper	tons	0.56	3.31	1.64			
	Used materials derived for recycling							
	Lubricant	tons	0	0	0			
	Dielectric oil		8,439	0	0			
	Ferric chloride	tons	0	0	0			
	Printing paper	tons	0.032	0	0.002			
	Percentage of materials used that are derived from recycled material compared to the total consumption of each resource	0						
	Lubricant	%	0	0	0			
	Dielectric oil	%	69.99	0	0			
	Ferric chloride	%	0	0	0			
	remic chloride							

<sup>1)</sup> Diesel consumption corresponds to thermal energy generation.

## **Power consumption**

GRI/EUSS	KPI	Unit	2021	2020	2019
302-1	Fuel consumption by primary source from non-renewable sources				
	Coal	TJ	18.600,80	16.910	26.461
	Gasoline	TJ	0	0	0
	Natural gas	TJ	43.014,13	36.314	2.908
	Diesel	TJ	2.251,32	588	398
	Total direct consumption	ΤJ	63.866	53.812	29.767
	Fuel consumption by primary source from non-renewable sources				
	Coal	Mtoe	0.44	0.4	0.63
	Gasoline	Mtoe	0	0	0
	Natural gas	Mtoe	1.03	0.87	0.07
	Diesel	Mtoe	0.05	0.01	0.01
	Total direct consumption	Mtoe	1.53	1.28	0.71
	Percentage of fuel consumption from non-renewable sources				
	Coal	%	29.12	31.42	88.89
	Gasoline	%	0	0.00	0.00
	Natural gas	%	67.35	67.48	9.77





GRI/EUSS	KPI	Unit	2021	2020	2019
	Diesel	%	3.53	1.09	1.34
	Total indirect energy consumption by destination	ŢJ	94.47	91.08	289.43
	Power consumption				
	Fossil fuels (coal, oil, natural gas, etc.) purchased and consumed (for energy purposes)	MWh	8,519,928	10,607,888	12,336,217
	Electricity purchased	MWh	26,242	25,299	80,398
	Non-renewable energy (electricity and heating and cooling) produced	MWh	8,040,582	6,452,000	7,232,574
	Total renewable energy purchased or produced	MWh	10,993,063	12,879,000	13,807,959
	Total non-renewable energy consumption	MWh	5,567,447	4,181,187	5,184,041
	Total energy consumption costs	thousands of Ch\$	1,296,992	864,863	835,285
	Data coverage	% of revenues	100	100	100
EU 12	Total average losses of the distribution network	%	5.20	5.20	5.00

# Water consumption

GRI/EUSS	KPI	Unit	2021	2020	2019			
03-3	Water withdrawal							
	Water withdrawal by source in water stressed areas <sup>1</sup>							
	Water withdrawal from scarce sources	Millions of m <sup>3</sup>	5.97	4.50	5.40			
	Total surface water (from wetlands, lakes, rivers)	Millions of m <sup>3</sup>	0	0	0			
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0	0	0			
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	0			
	Total groundwater (from wells)	Millions of m <sup>3</sup>	5.97	4.5	0			
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	5.97	4.5	0			
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	С			
	Total water from aqueducts	Millions of m <sup>3</sup>	0	0	0			
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0	0	0			
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	С			
	Extraction of water from non-scarce sources	Millions of m <sup>3</sup>	0	0	C			
	Seawater (used as is and desalinated)	Millions of m <sup>3</sup>	0	0	C			
	*Desalinated water (=<1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0	0	С			
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	0			
	Wastewater (reused by third parties within the plants)	Millions of m <sup>3</sup>	0	0	С			
	Total Water withdrawal from various water- stressed sources	Millions of m <sup>3</sup>	5.97	4.5	0			
	Wastewater (Volume discharged)	Millions of m <sup>3</sup>	2.4	1.05	n.d			
	Total water used in cooling system	Millions of m <sup>3</sup>	5.84	4.4	n.d.			
	Consumption (Total withdrawals - Total discharges)	Millions of m <sup>3</sup>	3.53	2	3.82			
	Total water withdrawal							
	Extraction of water from scarce water sources	Millions of m <sup>3</sup>	6.39	4.93	5.97			
	Total surface water (from wetlands, lakes, rivers)	Millions of m <sup>3</sup>	0	0	0			
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0	0	С			
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	С			
	Total groundwater (from wells)	Millions of m <sup>3</sup>	6.38	4.93	5.97			
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	6.38	4.93	5.97			



GRI/EUSS	KPI	Unit	2021	2020	2019		
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0	0	0		
	Total water from aqueducts	Millions of m <sup>3</sup>	0.011	0.004	0		
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0.008	0	0		
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0.003	0	0		
	Extraction of water from non-scarce sources	Millions of m <sup>3</sup>	0.60	0	0		
	Seawater (used as is and desalinated)	Millions of m <sup>3</sup>	0.60	0.47	1.03		
	*Fresh water (= <1,000 mg / I of total dissolved solids)	Millions of m <sup>3</sup>	0.24	0	0		
	*Other water (> 1,000 mg / I total dissolved solids)	Millions of m <sup>3</sup>	0.36	0	0		
	Wastewater (reused by third parties within the plants)	Millions of m <sup>3</sup>	0	0	0.004		
	Total water withdrawal from different sources <sup>2</sup>	Millions of m <sup>3</sup>	6.99	5.4	7		
	Total water discharge (waste water)	Millions of m <sup>3</sup>	683.44	629.64	796.35		
	Total water used in cooling system	Millions of m <sup>3</sup>	680.5	626.78	793.17		
303-5	Consumption (Total extractions - Total discharges) <sup>3</sup>	Millions of m <sup>3</sup>	4.06	2.53	3.82		
	Net water consumption intensity	liters/kWh	0.21	0.13	0.18		
	Specific water withdrawal <sup>4</sup>	liters/kWh	0.35	0.26	0.30		
303-4	Water discharge						
	Water discharge by destination						
	Surface water (wetlands, lakes, rivers)	Millions of m <sup>3</sup>	67.52	65.52	0		
	Groundwater	Millions of m <sup>3</sup>	0	1.05	0		
	Water to municipal/industrial treatment plant	Millions of m <sup>3</sup>	0	0	0		
	Water to third parties	Millions of m <sup>3</sup>	2.13	1.43	13.93		
	Water to the sea	Millions of m <sup>3</sup>	613.79	561.65	793.77		
	Total water discharge by destination	Millions of m <sup>3</sup>	683.44	629.64	796.35		

<sup>1)</sup> GRI 303 has defined areas with "water stress" as those in which, based on the classification provided by the WRI Aqueduct Water Risk Atlas, the ratio between the total annual withdrawal of surface or groundwater for different uses (civil, industrial, agricultural and livestock) and the total annual supply of available renewable water ("base water stress," understood as the level of competition among all users) is high (40-80%) or extremely high (> 80%), Furthermore, it is specified that thermal plants using fresh water are included in this category, For greater environmental protection, Enel has also considered plants located in areas classified by the WRI as "arid" as being located in areas with water stress, Following a review of the extent of plants located in areas with water stress, the values for 2020 and 2019 have been recalculated.

- 2) The value corresponds to the total water withdrawal from different sources, with and without water stress.
- 3) The value corresponds to the sum of the total water withdrawn from different sources (1), plus the total water used in cooling systems, minus the total water discharged.
- 4) The value corresponds to the quotient between total water consumption and net energy production.

#### **Emissions**

GRI/EUSS	KPI	Unit	2021	2020	2019
305-1	Emissions				
	Direct Greenhouse Gas Emissions from Thermal Generation	thousand tCO <sub>2</sub> eq	5,130	4,255	4,779
	Other CO <sub>2</sub> emissions from electricity production and other activities	thousand tCO <sub>2</sub> eq	57	48	18
	Total direct emissions (Scope 1) <sup>1</sup>	thousand tCO <sub>2</sub> eq	5,187	4,303	4,797
	Specific Emissions	gCO <sub>2</sub> eq/kWh	273	223	228
305-2	Total Indirect Emissions (Scope 2) <sup>2</sup>	thousandtCO <sub>2</sub> eq	9.87	10	32
305-3	Emissions from fuel- and energy-related activities	thousand tCO <sub>2</sub> eq	167	152	238
	Emissions from coal transport by ocean	thousand tCO,eq	19	24	n.d.
	Emissions from fuel transportation	thousand tCO <sub>2</sub> eq	0	0.5	n.d.
	Total Indirect Emissions (Scope 3)	thousand tCO <sub>2</sub> eq	186	177	286
305-5	Total avoided emissions	thousand tCO,eq	8,047	9,814	10,225
305-7	Other specific emissions				
	SO <sub>2</sub> emissions	tons	1,681	2,313	3,394
	NO emissions	tons	4,023	4,274	5,524





GRI/EUSS	KPI	Unit	2021	2020	2019
	PM emissions	tons	85.47	76	162
	SF <sub>6</sub> emissions	tons	0.010	0.056	0.018
	Mercury Emissions	tons	0.014	0.014	0.015
305-4	Other specific emissions (intensity)				
	SO <sub>2</sub> emissions	g/kWheq	0.088	0.12	0.16
	NO <sub>x</sub> emissions	g/kWheq	0.211	0.22	0.26
	Dust emissions	g/kWheq	0.004	0.004	0.01

<sup>1)</sup> The value corresponds to the sum of thermal generation emissions representing 99% and other emissions representing 1%, according to the GHG Protocol standard and in line with the Science Based Target initiative.

#### Waste

GRI/EUSS	KPI	Unit	2021	2020	2019
306-3	Waste production				
	Non-hazardous waste	tons	120,645	138,904	298,009
	Non-hazardous waste (ashes only)	tons	86,600	106,653	169,839
	Non-hazardous waste (excluding ashes)	tons	34,044	32,251	128,170
	Recovered ashes	tons	70,184	81,618	95,225
	Hazardous waste	tons	741	329	938
	Hazardous waste containing PBC	tons	42	0	90
	Total waste production	tons	121,385	139,233	298,947
306-5	Hazardous Waste Disposal Method				
306-4	Hazardous waste recycled or sent for recovery	tons	175.9	31.48	67
	Waste sent to landfill	tons	446.9	211.17	185.14
	Incinerated waste and other disposal methods	tons	118.0	86.51	686.21
306-5	Disposal method for non-hazardous waste				
306-4	Recovery (including energy recovery)	tons	85,789	99,408,90	99,332
	Waste sent to landfill	tons	34,819	39,290,15	183,559,27
	Incinerated waste and other disposal methods	tons	36	205	16,080,97
	Total waste recovery rate <sup>1</sup>	%	70.8	71.4	n.d.

<sup>1)</sup> The value corresponds to the ratio of total hazardous waste recovered (including energy recovery) to total waste production.

## Biodiversity exposure and assessment (1)

KPI	Unit	2021
Biodiversity exposure and assessment		
General		
How many sites are used for production, extraction or planting activities?	N°	52
What is the total area of these sites?	Hectares	46,784
Last 5 years		
How many sites have been assessed including biodiversity impact assessments?	N°	52
What is the total area of these sites?	Hectares	46,784
Sites evaluated		
How many sites contain or are adjacent to globally and nationally important biodiversity areas?	N°	1
What is the total area of these sites?	Hectares	44
Sites with biodiversity of global or national importance		
How many sites have a biodiversity management plan?	N°	1
What is the total area of these sites?	Hectares	44

<sup>(1)</sup> The hectares indicated do not include hydroelectric dams, Active projects on biodiversity have been taken into account for the biodiversity impact assessment



<sup>2)</sup> The value considers energy distribution losses, indirect emissions from energy production of thermal and hydroelectric plants and self-consumption processes.

## **Health and safety**

## **Accidentability**

GRI/EUSS	KPI	Unit	2021	2020	2019
403-9	Accident rate of Enel employees				
	Fatal accidents (FAT)	N°	0	0	0
	Life-changing accidents (LCA)	N°	0	0	-
	High Potential Accidents (HPO)	N°	0	0	-
	Lost time accidents (LTI)	N°	0	0	1
	Lost-Time Injury Frequency Rate (LTIFR)	Index	0	0	0.19
	Hours worked (WH)	N°	4,259,567	4,252,973	5,202,267
403-9	Accident rate of contractor workers				
	Fatal accidents (FAT)	N°	2	0	2
	Life-changing accidents (LCA)	N°	0	0	-
	High Potential Accidents (HPO)	N°	0	3	-
	Lost time accidents (LTI)	N°	24	14	19
	Lost-Time Injury Frequency Rate (LTIFR)	Index	0.88	0.61	0.97
	Hours worked (WH)	N°	27,377,267	22,778,641	19,686,720
403-9	Accident rate of Enel workers + contractors				
	Fatal accidents (FAT)	N°	2	0	2
	Life-changing accidents (LCA)	N°	0	0	-
	High Potential Accidents (HPO)	N°	0	3	-
	Lost time accidents (LTI)	N°	24	14	20
	Lost-Time Injury Frequency Rate (LTIFR)	Index	0.76	0.52	0.80
	Hours worked (WH)	N°	31,636,864	27,031,614	24,888,987

<sup>(1)</sup> All Frequency Rates are calculated by providing a ratio of the number of events per million hours worked.

#### **Governance**

## Advisory mechanisms and ethical concerns

GRI/EUSS	KPI	Unit	2021	2020				
102-17	Advisory mechanisms and ethical concerns							
	Type of stakeholders							
	Notifications received	N°	27	19				
	Internal stakeholders	N°	5	1				
	External stakeholders	N°	5	5				
	Anonymous	N°	17	13				
	Affected party							
	Shareholder	N°	9	5				
	Customer	N°	1	0				
	Employee	N°	6	5				
	Community	N°	2	1				
	Supplier	N°	9	8				
	Status							
	Notifications being evaluated	N°	1	0				
	Notifications for which an infraction has not been confirmed	N°	18	17				
	Notifications for which a violation has been confirmed	N°	8	2				
	Percentage of notifications being evaluated	%	4	0				
	Percentage of notifications for which an infraction has not been confirmed	%	67	89				

<sup>(2)</sup> Lost Time Injury (LTI): An incident that has resulted in an injury, with absence from work of at least one working day, excluding the day of occurrence.

<sup>(3)</sup> Life-changing accidents (LCA): injuries that have resulted in health consequences that change a person's life forever (e.g., limb amputations, paralysis, neurological damage, etc.).

<sup>(4)</sup> High Potential Accidents (HPO): whose dynamics, regardless of the damage, could have resulted in a Life-Changing or Fatal Accident.

<sup>(5)</sup> Calculated as number of accidents with at least 1 day of absence / total hours worked \*1,000,000





GRI/EUSS	KPI	Unit	2021	2020
	Percentage of notifications for which a violation has been confirmed	%	30	11
	Туре			
	Conflict of interest / Corruption	N°	3	5
	Misappropriation of assets	N°	0	1
	Employment Practices	N°	10	0
	Community and society	N°	0	0
	Other	N°	14	13
	Confirmed violation			
	Confirmed violation	N°	8	2
	Violation confirmed by the affected party			
	Shareholder	N°	2	0
	Customer	N°	0	0
	Employee	N°	1	1
	Community	N°	0	0
	Supplier	N°	4	1
	Confirmed violation by type			
	Conflict of interest / Corruption	N°	0	0
	Misappropriation of assets	N°	0	0
	Employment Practices	N°	4	0
	Community and society	N°	0	0
	Human rights	N°	0	0
	Others	N°	4	2
	Conflict of Interest/Corruption Summary			
	Violations due to conflict of interest/corruption incidents	N°	0	0
	Actions taken in response to episodes of conflict of interest/ corruption	N°	0	0
	Actions taken against employees in response to conflict of interest/ corruption	N°	0	0
	Actions taken against contractors in conflict of interest/corruption cases	N°	0	0

# Communication and training on policies and procedures

GRI/EUSS	KPI	Unit	2021
205-2	Anti-corruption policy training		_
	Enel Chile	N°	481
		%	95%
	Enel X Chile	N°	99
		%	99%
	Enel Generación Chile	N°	567
	_	%	85%
	Enel Green Power	N°	271
	_	%	88%
	Enel Distribución Chile	N°	503
	_	%	90%
	Enel Transmisión Chile	N°	89
	_	%	89%
	Total	N°	2,012

## **Training of workers in Human Rights**

GRI/EUSS	KPI	Unit	2021	2020	2019			
412-2	Staff trained in human rights policies or procedures							
	Enel Chile	%	93.4	100	100			
	Enel X	%	93.6	100	100			
	Enel Generación Chile	%	83.4	100	100			
	Enel Green Power	%	82.2	100	100			
	Enel Distribución Chile	%	96.5	100	100			
	Enel Transmisión Chile	%	87.7	-	-			
	Total Proportion of workers trained	%	89.5	100	100			



#### **Controversies**

419-1

During 2021 Enel Distribución Chile had several lawsuits, which were addressed with the utmost diligence for their resolution. They are detailed below:

 Chilean regulator fines Enel Distribución Chile in excess for exceeding the standard established in the continuity of supply index for the 2015–2016 period.

The charge consisted of an alleged violation by Enel Distribución Chile for having exceeded the supply continuity indexes in a total of 8 feeders during the period from December 2015 to November 2016. Said feeders analyzed, which present some exceedance index, represent a tiny percentage of the total universe of feeders of Enel Distribución Chile (less than 2%), so the amount of the fine determined by the regulator was reinstated, as it was considered excessive in consideration that it did not follow a clear formula for calculating it, and the reinstatement was not accepted. Once the fine was confirmed by the sanctioning body, the background was analyzed and the determination was made to continue using other existing tools in the legal system, making a presentation before the Court of Appeals of Santiago, who confirmed the fine imposed by the Superintendence of Electricity and Fuel (SEC, by its acronym in Spanish). Accordingly, Enel Distribución Chile filed an appeal before the Supreme Court, where the arguments were heard, and the ruling of the case is expected.

 Court of Appeals of Santiago accepts the reduction of Enel Distribución Chile's fine on the grounds that it has been disproportionate.

The main imputation of the Superintendency of Electricity and Fuels consisted in pointing out that Enel Distribución Chile did not comply with the new technical standard of December 2017, which established a term of 18 months to install metering in its headends with respect to 80% of its feeders. Enel Distribución considered that the deadline was too tight to have such significant progress as stipulated by SEC, given the number of substations and feeders. However, the agency also ruled that Enel Distribución will be fined for not complying with this deadline. The fine – which was high – was claimed before the Court of Appeals of Santiago, where the related situation was exposed. Along with this, Enel Distribución pointed out that the deadline for the execution of the project was very tight and even so, the Company specified that it always made progress

in this matter. For these same technical reasons, it was impossible to comply with the required progress in such a short time. It should be noted that up to December 2020 the process had been achieved at great speed, obtaining 60% of headend installation in the company's feeders. The Court of Appeals observed Enel Distribución's arguments and, on the grounds of proportionality, determined that the fine should be reduced by half. The administrative body appealed this resolution before the Supreme Court, which proceeded to revoke the decision of the Court of Appeals confirming the original fine imposed by SEC. Finally, Enel Distribución Chile proceeded to pay the fine.

#### Chilean regulator fines Enel Distribución Chile for poor maintenance of its facilities during power outage

The administrative authority sanctioned Enel Distribución Chile by virtue of an outage that affected 233,378 customers during July 28, 2018, for approximately one and a half hours. The incident was generated in the 110 kV El Salto - Los Almendros transmission line. It should be noted that, after inspections and some technical reports, it could be inferred that such failure could have been caused by third parties. Considering this information, Enel Distribución Chile appealed the fine set by the regulator, which was likewise confirmed. Seeking to exhaust the legal options that were still available, in 2020 the Company claimed the fine before the Court of Appeals of Santiago, which confirmed the fine imposed by SEC, after which resolution an appeal was filed before the Supreme Court, which confirmed the fine. Based on this, Enel Distribución Chile proceeded to pay the fine imposed by SEC.

#### Chilean regulator establishes new fine related to 2017 snow event

Due to the bad weather front that happened in July 2017 and because of the alleged erroneous delivery of information to the competent administrative body regarding the times of restoration of supply and how long it would take to overcome the emergency, information that according to the protocol should have been uploaded to the platform called interruptions online, the agency applied a fine. The determination of SEC was analyzed by Enel Distribución Chile, and the due action of appeal was managed with respect to the fine resolution, which was presented before said agency. In 2020 the SEC determined that it would reduce the penalty determined in 2017 by half even though -





in Enel's opinion - there were arguments that should still be analyzed. An appeal was prepared with respect to this fine before the Court of Appeals of Santiago, which confirmed the fine imposed by the SEC. Therefore, Enel Distribución Chile appealed to the Supreme Court and is awaiting ruling on the case.

After extreme weather events affected energy supply in 2017, the Company updated its Winter Emergency Action Plans, implementing a series of measures to strengthen the resilience of the grid. The plans, which remain in effect to this day, focus on the continuity and security of electricity supply, along with strengthening communication channels between customers and the Company.

For further information, please visit <a href="https://www.enel.cl/es/conoce-enel/plan-de-invierno.html">https://www.enel.cl/es/conoce-enel/plan-de-invierno.html</a>

#### SEC applies fine to Enel Distribución Chile for exceeding maximum allowed outages in a year

On April 8, 2020, the SEC filed charges against Enel Distribución Chile for exceeding the SAIDI and SAIFI indexes in the municipalities of Lampa and Independencia. These charges were answered, and these replies were rejected by the SEC, which imposed, through Exempt Resolution No. 33,196, a fine equivalent to 22,000 UTM (Monthly Tax Units). On September 1, 2020, Enel Distribución Chile filed an appeal for reconsideration, requesting that the fine imposed be annulled. The SEC resolved the appeal, confirming the fine imposed, so Enel Distribución Chile filed an appeal before the Court of Appeals of Santiago, which is pending resolution.

#### SEC files charges against Enel Distribución Chile for errors in electricity bills

Charges were filed for violation of the General Electric Service Law, for not billing during the month of April 2020 to a large part of the clients under the BT1 tariff, in the terms established in Decree 11T of 2016 of the Ministry of Energy, which requires monthly billing of all charges of said tariff. On July 7, 2020, the charges were answered requesting that they be rejected. The SEC rejected the charges and imposed on Enel Distribución Chile a fine equivalent to 15,000 UTM (Monthly Tax Units), which was challenged by means of an appeal for reconsideration, dated December 3, 2020. At

the closing of this Report, the resolution that will accept or reject the appeal for reconsideration formulated by Enel Distribución Chile is still pending.

#### Chilean regulator files charges for office closures during Covid-19

The Superintendency of Electricity and Fuels filed charges against Enel Distribución Chile after the company decided to close its commercial offices and suspend meter readings during the Covid-19 pandemic. The SEC reported that, after audits in April and May 2020, it found possible violations committed by Enel Distribución, so it decided to initiate an administrative process that could end with sanctions. Enel Distribución Chile stated that the objective of its decisions was to protect the health of its employees, while complying with the Chilean government's recommendations to contain the spread of the contagion, for which it filed an appeal for reconsideration that is still pending resolution.

#### **Ralco Power Plant**

After 103 natural persons requested a review regarding the Ralco Hydroelectric Power Plant before the Chilean National Contact Point (NCP) of the OECD, indicating that the Company would have violated OECD principles in March 2019, Enel submitted its response to the organization claiming compliance with the respective principles, as well as the fulfillment of obligations. The National Contact Point has not yet made any pronouncement. In 2021, the procedure is still pending.

#### Cerro Pabellón

The Compliance Program submitted by the Cerro Pabellón geothermal power plant in December 2018 was rejected by the Environmental Superintendency. In June 2019, after the rejection of appeals for reconsideration and hierarchical appeals, the discharges were presented to the supervisory authority to achieve a resolution sanctioning the procedure. As of December 2021, the Environmental Superintendency has kept the procedure suspended.

## **Environmental litigation**

308-2

In relation to environmental lawsuits filed during 2021 and up to December 31, 2021, a total of nine lawsuits are reported before the Ordinary Courts of Justice, corresponding to:



Our ESG performance

two lawsuits for environmental damage, one against the Bocamina Thermal Power Plant that ended in the course of 2021 and another for the Quintero Thermal Power Plant; three civil actions for tort liability against the Bocamina and Ralco Thermal Power Plant (1), a criminal action in conditional suspension of proceedings for the Bocamina Power Plant during 2020, and definitively dismissed in 2021, a legal claim for an administrative summary fine of the Bocamina Thermal Power Plant and two accumulated claims before the Environmental Court against the resolution approving the expansion of the Cerro Pabellón Project. Their status is detailed below:

- 1. Bocamina. Action for environmental damage filed against the operation of the Bocamina I and II power plants owned by Enel Generación Chile. There are three lawsuits that were accumulated in a single proceeding, filed by individuals and unions of algueros and lugueros (seaweed gatherers). The lawsuit requests the reparation of the damaged environment (it is not intended to fix an amount of compensation). Unfavorable judgment was issued on 31.12.2018, the ruling declares the existence of air environmental damage, and orders the reduction of particulate matter emissions by 30% (calculated from a non-actual total, which was extracted from a thirdparty report), which is equivalent to reducing the annual emission of PM from both plants to 86 tons, which is both taxing and complex. The ruling also ordered the presentation of a plan stating how Enel Generación Chile intends to comply with the sentence (which has already been presented and approved by the Court), granting a period of one year for this to be carried out, which was executed and declared complied with by the Environmental Court by resolution dated July 13, 2021. On August 3, 2021, the Supreme Court ruled on the appeal filed by the parties and confirmed the ruling of the Environmental Court.
- 2. Quintero Power Plant. An action for environmental damage filed against the operation of the Quintero power plant owned by ENDESA (Enel Generación Chile S.A.) sued ENDESA and other industrial project owners (Ventanas Industrial Complex) for alleged soil and air environmental damage caused by the operation of the Quintero Power Plant, in the Quintero Bay, due to its emissions, as well as damage to the marine biota, requesting that the existence of environmental damage be declared and its reparation, ordered. Currently the Court has prepared a Basis of Conciliation and a series of measures to be implemented, which is in the process of review by the parties.

- 3. Bocamina ash landfill criminal investigation: Criminal investigation conducted by the Local Prosecutor's Office of Talcahuano for heavy metals. The investigation was initiated in 2012 for alleged damage caused to the biological environment of Coronel Bay in the Biobío Region. Dated 19.10.2018 an agreement between the Prosecutor's Office and Enel was approved by the Guarantee Court, whereby the criminal proceedings are suspended, Enel Generación Chile commits to improve the closure standards of the ash landfill. The Guarantee Court approved a definitive dismissal in February 2021, thus ending the proceedings.
- 4. Bocamina: Claim of an ordinary lawsuit for damages for tort liability against Portuaria Cabo Froward S.A. and jointly and severally against Enel Generación Chile S.A., claiming the payment of compensation for moral damages of Ch\$ 25,000,000. for each of the defendants, for having affected the health of the neighbors with the unauthorized coal stockpiling in Cabo Froward's fields. The claim was rejected by the Court of First Instance and, as of December 2021, is still being appealed by the plaintiff before the Court of Appeals.
- **5. Bocamina:** A lawsuit for damages for tort liability is filed against Enel Generación Chile S.A., claiming the payment of a compensation of Ch\$ 30,000,000. for each of the defendants. The plaintiffs claim that the Bocamina I and II Thermal Generation Plants have affected the health of the neighbors (Gómez with Enel), the process is in an initial stage of discussion, the parties have not reached an agreement in the conciliation hearing.
- 6. Bocamina: Enel Generación Chile is being sued for non-contractual liability for damage to the quality of life (contamination from volatile coal, noise, ash fall in their homes and heavy metal emissions), of residents of Coronel, before the Court of First Instance (Cantillana with Enel), the process is in an initial stage of discussion, suspended due to the sanitary contingency.
- 7. Ralco: Claim for damages for tort liability against Enel Generación Chile, claiming that due to the operation of the Ralco Hydroelectric Power Plant, some thermal wells used by the plaintiff for commercial and tourism purposes were flooded (Núñez with Enel). The case is initiating the evidentiary stage, with appeals pending before the Court of Appeals regarding the evidentiary order.





- 8. Bocamina. A complaint was filed with the Health Authority of the Biobío Region that workers did not meet the corresponding sanitary conditions in the removal of asbestos from the Bocamina I unit of the Bocamina power plant. The SEREMI de Salud imposed a fine on ENEL in a finalized administrative process, there is a legal claim before the Court of Appeals of Concepción, still pending.
- 9. Cerro Pabellón. Claim before the Environmental Court of Antofagasta. Two indigenous communities (San Pedro and Cupo) filed a claim regarding the resolution of the Committee of Ministers that rejects the administrative claim filed in relation to the favorable qualification of the Environmental Impact Study "Cerro Pabellón Geothermal Project Expansion" of Empresa Geotérmica del Norte. As of December 31, 2021, this case was suspended pending an eventual negotiation between the parties.



# **GRI** content index

Our ESG performance

102-55

Standards	Indicator		Page and/or reference	Comments or omissio
GRI 101: Foundati				
	Organization			
	102-1	Name of organization	18	
	102-2	Activities, brands, products and services	18	
	102-3	Location of headquarters	18	
	102-4	Location of operations	18	
	102-5	Ownership and legal structure	18, 322	
	102-6	Markets served	20	
	102-7	Scale of the organization	20, 367, 368	
	102-8	Information about employees and other workers	172, 368, 369, 370	
	102-9	Supply chain	18, 225	
	102-10	Significant changes in the organization and its supply chain		In 2021 there were n significant changes i the organization and its supply chain.
	102-11	Precautionary principle or approach	242	
	102-12	External initiatives	341	
	102-13	Association membership	348	
	EU1	Installed capacity, analyzed by energy source and regulatory regime	20	
	EU2	Net energy production by primary source and by regulatory regime	20	
	EU3	Number of residential, industrial, institutional and commercial clients	20	
	EU4	Length of transmission and distribution lines, by voltage	20	
	Strategy			
RI 102: General	102-14	Senior decision maker's statement	5	
ontents (2016)	102-15	Key impacts, risks and opportunities	75, 288	
	Ethics and Integrity			
	102-16	Values, principles, norms and standards of behavior	335	
	102-17	Mechanisms for advice and concern for ethics (whistleblower channel)	340, 342, 381	
	Governance			
	102-18	Governance structure	323	
	102-19	Delegation authority	324, 330	
	102-20	Executive level responsibility for economic, environmental and social issues	30, 324	
	102-21	Stakeholder consultation on economic, environmental and social issues	46, 50	
	102-22	Composition of the highest governance body and its committees	323, 326	
	102-23	Chairman of the highest governing body	326	
	102-24	Appoint and select the highest governing body	323	
	102-25	Conflicts of interest	339	
	102-26	Role of the highest governance body in establishing purposes, values and strategies	30, 324	
	102-27	Collective knowledge of the highest governance body	328	
	102-28	Evaluating the performance of the highest governance body		Refer to Enel Chile 2021 Annual Report, section 6.1.3 on "Evaluation of the effectiveness of the Board of Directors."





Standards	Indicator		Page and/or reference	Comments or omission
	102-29	Process for identifying and managing economic, environmental and social impacts	31, 59, 63, 333	
	102-30	Effectiveness of risk management processes	331	
	102-31	Senior management review of economic, environmental and social issues	324	
	102-32	The role of the highest governance body in sustainability reporting	30, 324	
	102-33	Communication of critical concerns	53, 331	
	102-34	Nature and total number of critical concerns	53	
	102-35	Remuneration policies		Refer to Enel Chile 2021 Annual Report, section 6.3.1 "Remuneration of the Board of Directors" and 6.3.2 "Remuneration of the Directors' Committee"
	102-36	Process for determining remuneration		Refer to Enel Chile 2021 Annual Report, section 6.3.3 on "Review of the salary structures of the executive team".
		engagement		
GRI 102: General	102-40	List of stakeholder groups	46, 48, 49, 50	
Contents (2016)	102-41	Collective bargaining agreements	187, 375	
	102-42	Identification and selection of stakeholders	46, 48, 49, 50	
	102-43	Approach to stakeholder engagement	49, 50, 195	
	102-44	Key issues and concerns raised	46, 50, 52	
		aration practices		
	102-45	Entities included in the consolidated financial statements	18	
	102-46	Definition of report content and subject matter boundaries	46, 48, 49, 50, 52	
	102-47	List of material issues	49, 50, 52	
	102-48	Re-expressions of information	371, 372, 381	
	102-49	Changes in reporting		This report has been structured in accordance with the Pillars of Enel's Sustainability Plan
	102-50	Reporting period	363	
	102-51	Date of the most recent report	363	
	102-52	Reporting cycle	363	
	102-53	Contact point for questions about the report	397	
	102-54	Statement of preparation of the report in accordance with GRI Standards	363	
	102-55	GRI Content Index	387	
	102-56	External verification	365	
GRI 103: Management approach (2016)	103-1	Explanation of material issues and their boundaries	48, 50, 52, 106, 124, 144, 158, 168, 190, 222, 236, 272, 302, 318	
	103-2	Management approach and its components	75, 106, 124, 144, 158, 168, 190, 222, 236, 272, 302, 318	
	103-3	Evaluation of the management approach	75, 106, 124, 144, 158, 168, 190, 222, 236, 272, 302, 318	
Standards	Indicator		Page and/or reference	Comments or omission
Thematic contents				
Economic				
GRI 201:	201-1	Direct economic value generated and distributed	66	
Economic Performance (2016)	201-2	Financial implications and other risks and opportunities associated to climate change	75	



Standards	Indicator		Page and/or reference	Comments or omission
GRI 202: Market presence (2016)	202-1	Standard entry level wage ratios by gender, compared to local minimum wage.	188	
	202-2	Proportion of senior management hired from the local community	372	
GRI 203: Indirect	203-1	Investments in infrastructure and services supported	376	
Economic Impacts (2016)	203-2	Significant indirect economic impacts	148, 150, 199	
GRI 204: Acquisition Practices (2016)	204-1	Proportion of spending on local suppliers	234, 376	
Gri 205:	205-1	Operations assessed for risks related to corruption	339	
Anticorruption (2016)	205-2	Communication and training on anti-corruption policies and procedures	340, 382	
	205-3	Confirmed incidents of corruption and actions taken	342	
GRI 206: Anti- competitive behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	342	
GRI 207: Fiscal	207-1	Fiscal approach	349	
Performance	207-2	Fiscal governance, control and risk management	350	
(2019)	207-3	Stakeholder engagement and management of tax- related concerns,	351	
	207-4	Report by country	351	
Environmental				
GRI 301: Materials	301-1	Materials used by weight or volume	377	
(2016)	301-2	Recycled input materials used	377	
GRI 302: Energy	302-1	Energy consumption within the organization	246, 377	
(2016)	302-3	Energy intensity	246	
	EU11	Average generation efficiency of thermal power plants by energy source and regulatory regime	376	
GRI 303: Water	303-1	Interaction with water as a shared resource	247	
and effluents (2018)	303-3	Water extraction	115, 247, 378	
(2018)	303-4	Water discharges	379	
	303-5	Water consumption	379	
GRI 304: Biodiversity (2016)	304-1	Operational sites owned, leased or managed that are in or adjacent to protected areas, or areas of high biodiversity value outside protected areas.	254	
	304-2	Significant impacts of activities, products and services on biodiversity.	254	
	304-3	Protected or restored habitats,	254	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	254	
GRI 302:	305-1	Direct GHG emissions (Scope 1)	244, 379	
Emissions (2016)	305-2	Indirect energy (Scope 2) GHG emissions,	244, 379	
	305-3	Other indirect (Scope 3) GHG emissions	244, 379	
	305-4	Greenhouse gas emissions intensity	244, 380	
	305-5	Reduction of GHG emissions,	103, 244, 379	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	245, 379	





Standards	Indicator		Page and/or reference	Comments or omission
GRI 306: Waste (2020)	306-1	Generation of waste and significant waste-related impacts	251	
	306-2	Management of significant waste-related impacts	251	
	306-3	Waste generated	380	
	306-4	Waste not destined for disposal	380	
	306-5	Waste for disposal	380	
GRI 307: Environmental Compliance (2016)	307-1	Non-compliance with environmental laws and regulations	376	
GRI 308: Supplier Environmental	308-1	New suppliers that were selected using environmental criteria	226, 227	
Assessment (2016)	308-2	Negative environmental impacts in the supply chain and actions taken	384	
Social				
GRI 401:	401-1	New hires and employee rotation	181, 373	
Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	187	
	EU15	Percentage of employees eligible to retire in the next 5 and 10 years, broken down by employment category and by region.	374, 375	
	401-3	Parental leave	370, 371	
GRI 402: Labor Relations (2016)	402-1	Minimum notification periods for operational changes	187	
GRI 403:	403-1	Occupational health and safety management system	306	
Occupational Health and Safety 2018)	403-2	Hazard identification, risk assessment and incident investigation	306	
	403-3	Occupational health services	307	
	403-4	Worker involvement, consultation and communication on occupational health and safety	307	
	403-5	Occupational health and safety training for workers	312	
	403-6	Promotion of workers' health	307	
	403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked to commercial relations.	307, 308	
	403-8	Coverage of the occupational health and safety management system	306	
	403-9	Work-related injuries	311, 381	
	403-10	Occupational diseases and illnesses	307	
GRI 404: Training	404-1	Average hours of training per year per employee,	177, 374	
and education (2016)	404-2	Programs to improve employee skills and transition assistance programs	177	
	404-3	Percentage of employees receiving regular performance and professional development evaluations	174, 375	
GRI 405: Diversity	405-1	Diversity of governing bodies and employees	172, 183, 184, 371, 372	
and Equal Opportunity (2016).	405-2	Ratio of base salary and remuneration of women to men	188, 375	
GRI 406: Non- discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	187	
GRI 407: Freedom of association and collective bargaining (2016).	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	352	
GRI 408: Child Labor (2016).	408-1	Operations and suppliers at significant risk for incidents of child labor	352	
GRI 409: Forced or compulsory labor (2016).	409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	352	



Standards	Indicator		Page and/or reference	Comments or omission
GRI 410: Safety Practices (2016)	410-1	Security personnel trained in human rights policies or procedures		
GRI 412: Human Rights	412-1	Operations that have been subject to human rights reviews or impact assessments	226, 234, 352	
Assessment (2016)	412-2	Employee training on human rights policies or procedures	382	
GRI 413: Local communities (2016)	413-1	Operations with local community participation, impact assessments and development programs	199	
GRI 414: Supplier Social Assessment (2016).	414-1	New suppliers that were selected using social criteria	226, 227, 230	
GRI 415: Public Policy (2016)	415-1	Political contributions	346	
GRI 418: Customer Privacy (2016)	418-1	Substantiated complaints about breaches of customer privacy and losses of customer data	150, 290	
GRI 419: Socioeconomic Compliance	419-1	Programs, including those in partnership with the government, to improve or maintain access to electricity and customer services	383	
(2016) GRI: Product Responsibility	EU23	Practices to address language, cultural, low literacy, and disability-related barriers to safely accessing and using electricity and customer services	150	
Disclosures for the Electric	EU24	Percentage of unserved population within service areas	150	
Utilities Sector (G4)	EU26	Number of residential disconnections due to non- payment, broken down by duration of disconnection and regulatory regime	367	
Access	EU27	Frequency of power outages	367	
	EU28	Average duration of power outages	141	
	EU29	Average plant availability factor by energy source and by regulatory regime	141	
	EU30	Average plant availability factor by energy source and by regulatory regime		



# **SASB Content Index**

The Sustainability Accounting Standards Board (SASB) provides a summary view of the main indicators required in relation to the primary sector of reference for Enel Chile, Electric Utilities & Power Generators.

This standard is divided into 27 indicators (sustainability disclosure topics, accounting metrics and activity metrics), which, in turn, are divided into six main topics: environment, energy affordability, safety, efficiency and end-use demand, network resilience and activity metrics.

TOPIC	SASB	ACCOUNTING METRICS	Answer	GRI reference
	IF-EU-110a.1	(1) Scope 1 gross global emissions, percentage covered by (2) emission limitation regulations and (3) emission reporting regulations.	1) 5,187-thousand-ton CO <sub>2</sub> equivalent (2) 100% (3) 100% (*)Note: We include those that are under taxation, therefore, when calculated, should be reported.	305-1
Greenhouse gas emissions and energy	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with energy supply	$5,130$ thousand tons $\mathrm{CO_2}\mathrm{eq}$	305-1
resource planning	IF-EU-110a.3	Discussion of the long- and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets,	Chapter Net Zero Ambition	102-15; 201-2
	IF-EU-110a.4	(1) Number of clients served in markets subject to renewable portfolio standards (RPS) and (2) percentage of compliance with RPS target by market.	n.a U.S. regulation, does not apply locally.	
Air quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg); 6) percentage of each in or near densely populated areas	1) 4,023 tons (2) 1,681 tons (3) 85.47 tons (4) NA (5) 0.014 t / (%) NA	305-7
	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with high or extremely high baseline water stress.	(1) 6.99 million m <sup>3</sup> (2) 4.06 million m <sup>3</sup> (3) 85.421%; 50.52%	303-3 a; 303- 5 a
Water Management	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations.	1	
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Environmental Sustainability and Energy Transition Chapter	303-1; 102-15
Coal ash management	IF-EU-150a.1	(1) Amount of coal combustion residuals (CCR) generated, (2) percentage recycled (3) CCR generated and recycled - ash diverted from disposal (4) CCR generated and recycled - ash diverted from disposal (5) CCR generated and recycled - gypsum diverted from disposal (6) CCR generated and recycled - gypsum diverted from disposal	(1) 86.600,28 tons (2) 22.821,81 tons (3) 70.184,62 tons (4) 81,044 % (5) 0 tons (6) 0 %	306-3; 306-4
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments by potential hazard classification and structural integrity assessment.	n.a U.S. regulation, does not apply locally.	
	IF-EU-240a.1	Average retail electricity rate for (1) residential, (2) commercial (3) industrial and (4) other customers	(1) 91.9 clp/kWh (2) 45.6 clp/kWh (3) 19.7 clp/kWh (4) 79.3 clp/kWh	
Energy affordability	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	(1) 24.014 clp/month (2) 27.827 clp/month	
	IF-EU-240a.3	(1) Number of electric disconnections of residential customers for non-payment, (2) percentage reconnected within 30 days	Annexes Service and Quality Relationship with our Customers - Energy Accessibility Chart	EU27
	IF-EU-240a.4	Discussion of the impact of external factors on the affordability of electricity for the customer, including economic conditions in the service territory.	Chapter Service and Quality Relationship with our Customers - Section on Rates	EU27; 102-43, 102-44
Workforce health and safety	IF-EU-320a.1	Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	(1) 0 (2) 0 (3) 0	403-9



TOPIC SASB ACCOUNTING ME		ACCOUNTING METRICS	Answer	GRI reference	
Fff sign and and and	F-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM).	n.a U.S. regulation, does not apply locally.		
Efficiency and end-use demand	F-EU-420a.2	Percentage of electric load served by smart grid technology	n.d		
	F-EU-420a.3	Customer electricity savings from efficiency measures, by market (megawatt hours)	n.a		
Nuclear safety	IF-EU-540a.1	Total number of nuclear power units, broken down by column of the U.S. Nuclear Regulatory Commission (NRC) action matrix,	n.a No nuclear energy is produced in Enel Chile		
and emergency management	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness.	n.a No nuclear energy is produced in Enel Chile		
Network resistance	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or 2) cybersecurity rules or regulations.	0		
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), including major event days	(1) 152.28 minutes (2) 1.5 times	EU29 / EU28	
	IF-EU-000.A	Number of: (1) residential, (2) commercial and (3) industrial customers served	((1) 1,826 thousand (2) 156 thousand (3) 12 thousand (4) 44 thousand	EU3	
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers and (5) wholesale customers	(1) 5,140 GWh (2) 2,029 GWh (3) 726 GWh (4) 8,773 GWh		
	IF-EU-000.C	Length of transmission and distribution lines	Low-voltage line extension: 12,011 km Medium-voltage line extension: 5,571 km High-voltage line extension: 683 km Total extension: 18,265 km	EU4	
	IF-EU-000.D	1) total electricity generated, 2) percentage by main source of energy, 3) percentage in regulated markets	(1) Total net production: 19,033.65 GWh Emission-free production: 10,993.06 GWh (2) Net thermal production: 42.244%; CCGT: 25.656%. Coal: 12.225%; Gas: 4.364%; CCGT: 4.364%. Gas: 4.364%; CCGT: 4.364 Net renewable production: 57.756%; Hydroelectric: 40.681%; Wind: 9.097%; Geothermal: 1.491%; Photovoltaic: 6.488%.	EU2	
			(3) 0%		

<sup>1</sup> The total recordable injury rate corresponds to the total recordable injuries per million hours worked.

<sup>2</sup> Active meters are considered and excludes other technologies such as remote reading.



# **World Economic Forum content index**

The International Business Council (ICB) of the World Economic Forum (WEF) has developed a report, entitled "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation," with the objective of defining common metrics for measuring, reporting and comparing sustainability parameters.

These metrics seek to measure the effectiveness of the actions exercised in the business model to create value for stakeholders regarding the Sustainable Development Goals (SDGs) established by the UN. To this end, they are based on demanding standards and aim to increase convergence and comparability between the various parameters currently used in sustainability reports.

The following table shows the findings of 21 metrics featured in the WEF report.

Pillar	Торіс	Metrics	Representative KPI	2021	Chapter/Part
Governance principles	Governance Purpose	Establish purpose	-	-	Chapter Governance, section Sound Governance
	Quality of Governance body	Composition of Governance body	Women on the Board of Directors (n,)	2	Chapter Governance section Composition of the Board of Directors
	Stakeholder engagement	Material issues impacting stakeholders	-	-	Section Our sustainable progress, chapter Defining priorities
	Ethical conduct	Anti-corruption notification mechanisms and protected ethical counseling	Employees trained in anti- corruption policies and procedures (%)	95	Annexes section Communication and training on policies and procedures
			Verified violations due to conflict of interest/ corruption (n,)	0	Annexes section Advisory mechanisms and concern for ethics
			Complaints received for violations of the Code of Ethics	27	Chapter Governance section Whistleblower protection
	Risk and opportunity monitoring	Integration of risk and opportunities within the business process	-	-	Chapter Context and business model, section Enel Chile's main ESG risks.
					Chapter Governance, section Risk management
Planet	Climate change	Greenhouse Gas Emissions (GHGs)	Direct greenhouse gas emissions - Scope 1 (thousand tCO <sub>2</sub> eq)	5,187	Chapter Net Zero Ambition / Section the Carbon Footprint of Enel Chile
			Direct greenhouse gas emissions - Scope 2 (thousand tCO <sub>2</sub> eq)	9,87	Chapter Net Zero Ambition / Section the Carbon Footprint of Enel Chile
			Direct greenhouse gas emissions - Scope 3 (thousand tCO <sub>2</sub> eq)	186	Chapter Net Zero Ambition / Section the Carbon Footprint of Enel Chile
		Implementation of Task Force on Climate related Financial Disclosures (TCFD)	-	-	Chapter Net Zero Ambition; detail in TCFD Index
	Loss of biodiversity	Land use and ecological sensitivity	-	-	-
	Access to water resources	Water consumption and withdrawal in water- stressed areas	Water withdrawal (thousand m³)	5,965	Annexes section Water consumption
			Water withdrawal from scarce sources in water- stressed areas (%)		Chapter Environmental Sustainability, Water Resources Section
			Water consumption (thousand m³)	3,534	Annexes section Water consumption
			Water consumption in water-stressed areas (%)		Chapter Context and business model



Pillar	Торіс	Metrics	Representative KPI	2021	Chapter/Part
		Diversity and inclusion	Percentage of women out of total employees (%)	24	Chapter People section Gender diversity
	Dignity and	Pay equity	Pay equity (%)	86	Chapter Individuals - Remuneration
	Dignity and equity	Salary level	CEO ratio	n.d	-
	Squity	Risk of child, forced or compulsory labor	Supply chain assessment of child labor protection and compliance with the ban on forced labor	-	Chapter Sustainable supply chain, section Suppliers and human rights
		Health and safety	Fatal accidents to Company workers (n),	0	Chapter Occupational health and safety, section Safety indicators
					Annexes section Accidentability,
People			Frequency rate of fatal injuries to Company workers (n),	0	Annexes, SASB Index
Гооріо	Health and wellness		Serious injuries to Company workers (n),	0	Chapter Occupational health and safety, section Safety indicators
					Annexes section Accidentability,
			Frequency rate of accidents with "major consequences" for Company employees	0	Chapter Occupational health and safety, section Safety indicators
			. , , ,		Annexes section Accidentability
	Ability building	Training included	Average hours of training per employee (h/per capita)	61	Chapter People section Job training
					Chapter Annex Training section
				1,124,000	Chapter People section Investments in training
		Absolute number and employment rate	Persons hired (n,)	215	Annexes section Internal mobility and rotation
Prosperity	Employment and wealth generation		Income rate (%)	9,7	Annexes section Internal mobility and rotation
			Redundancies (n,)	226	Annexes section Internal mobility and rotation
			Rotation (%)	10.2	Annexes section Internal mobility and rotation
		Economic contribution	-	-	Chapter Context and business model, section Value creation
		Contribution of financial investment	CAPEX (MCh\$)	786,073	Chapter Context and business model,
			Purchase of Company shares and dividends paid (MCh\$)	231,068,611	Financial Statements Enel Chile, Dividends Paid
	Innovation in product and service improvement	Total R&D expenditures	Investments in research and development	-	-
	Vitality of communities and society	Total tax paid	Total taxes paid (MCh\$)	15 billons	Financial Statements Enel Chile, Income tax expense,



# **TCFD** content index

As a sign of Enel Chile' commitment to disclosure in climate change-related issues, the following index is developed, which shows the alignment of the Company's reporting on climate-related topics with the Taskforce on Climate-related Financial Disclosures (TCFD) which, in June 2017, published specific recommendations for the preparation of voluntary financial impact reports on climate risks.

Торіс	Disclosures recommended by TCFD (Taskforce on Climate-related Financial Disclosures)	Sections of this Report in which the recommendation is addressed
Governance		
Report on the organization's management of climate-related risks and opportunities.	Board of directors' oversight of climate risks and opportunities     Management role	Climate change governance model Corporate Governance Structure Climate change incentive system
Strategy		
Report current and potential impacts of climate risks and opportunities on the organization's business, strategy, and financial planning, where this information is material.	a) Climate-related risks and opportunities in the short, medium and long term. b) Impact on business strategy and financial planning. c) Resilience of strategy and planning for climate scenarios, including 2°C or below	Strategy to address climate change Main risks and opportunities related to climate change Enel Chile's impact on climate change Climate change scenarios Identification, assessment and management of risks and opportunities related to physical phenomena Identification, assessment and management of risks and opportunities related to transition phenomena
Risk management		
Report how the organization identifies, assesses, and manages risks related to climate change,	a) Climate risk identification and assessment b) Climate risk management c) Integration into overall risk management	Climate change scenarios Identification, assessment and management of risks and opportunities related to physical phenomena Identification, assessment and management of risks and opportunities related to transition phenomena Main ESG risks of Enel Chile
Metrics and goals		
Report metrics and targets used to assess and manage relevant risks and opportunities related to climate change where this information is material.	a) Metrics used related to climate change,     b) Report scope 1, 2 and 3 emissions.     c)) Climate change related targets	Enel Chile's carbon footprint Metrics and Targets Energy transition and decarbonization Grid resilience and digitization Products and services for electrification and digitalization Environmental sustainability



Our sustainable progress

#### Doubts and suggestions may be communicated to

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# enel