

2018

Sustainability Report

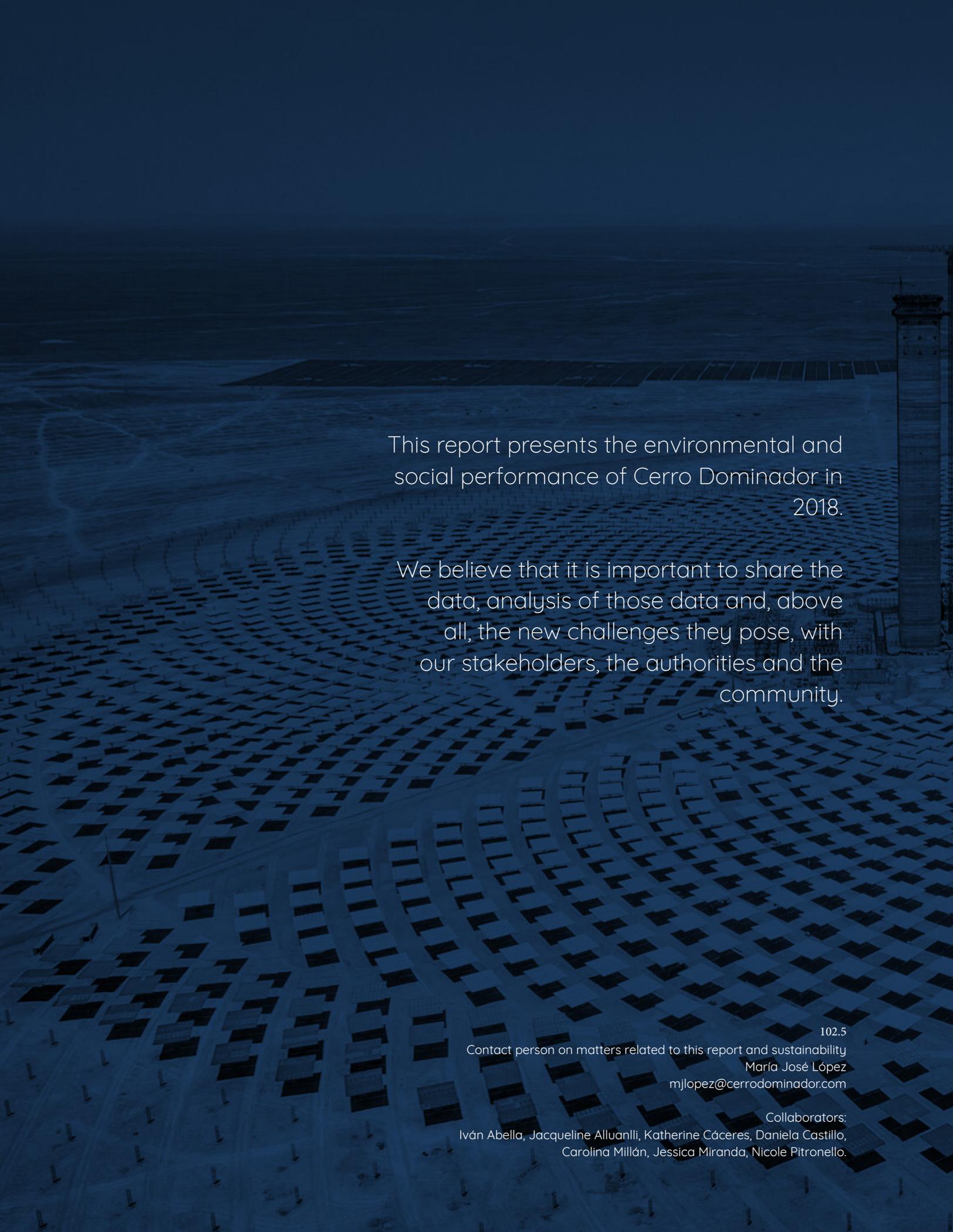


**CERRO
DOMINADOR**
CONCENTRATED SOLAR POWER



CSP 110 MW
CONCENTRATED SOLAR POWER

PV 100 MW
PHOTOVOLTAIC POWER



This report presents the environmental and social performance of Cerro Dominador in 2018.

We believe that it is important to share the data, analysis of those data and, above all, the new challenges they pose, with our stakeholders, the authorities and the community.

102.5

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Table of Contents

4 Company

14 People

18 Environment

22 Community

24 Appendix

An aerial photograph of a solar tower (CSP) in a desert. The tower is a tall, cylindrical structure with a central receiver. It is surrounded by a large field of solar panels arranged in a grid pattern. The entire image has a warm, orange-red color cast. A decorative overlay of a diamond-shaped grid pattern is visible in the upper half of the image. The word "Company" is written in white, sans-serif font across the middle of the image.

Company

Organization

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This is Cerro Dominador's first sustainability report, for the year 2018¹.

In this report, we will explain in detail the active role we have played in the nation's energy transition by means of the activities undertaken in 2018. Our vision is to drive the transformation of the Chilean energy matrix to wards power generation that enables a sustainable future.

The Cerro Dominador project is comprised of a 100 MW Photovoltaic Power Plant (PV) and a 110 MW Concentrated Solar Power Plant (CSP). The following companies are the main members of our organization: Cerro Dominador CSP, Cerro Dominador PV, Atacama Generación Chile and EIG Atacama Management.

We have offices in Santiago, Chile², and at our plant in the municipality of Maria Elena in the Region of Antofagasta.

Cerro Dominador entered the power sector in Chile at the end of 2016 when our controlling shareholder, EIG Global Energy Partners, took over the project.

The PV Plant was connected to the national grid in July 2017 and began to generate its first 62 MW in October of that year. It was generating 100 MW by February 2018.

In the last two years, we have focused our energy on reactivating the CSP project to make it viable. The fruits of that effort are the closing of the financing in May 2018 and the start of the last stage of the CSP Plant construction in July of the same year.

In the past two years, we have begun to position the company as a relevant actor on the market, not only because of our way of doing business but also because we are promoting key technology alternatives, like CSP technology, to support sustainable power generation.

We are founding members of the Concentrated Solar Power Association, a trade association whose mission is to promote this technology in Chile.

¹ Since this is our first report, no comparable information is required. This report has been guided by the GRI 4 method, but not fully prepared according.

² The headquarters of Cerro Dominador are at Apoquindo 4501, Las Condes, Santiago.

Our practice

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We believe that it is essential to safeguard standards of conduct in line with our company values. So, one of our managerial focus is on the development of, and compliance with, our regulatory principles benchmarked to the highest standards of corporate governance, even beyond what is required by local laws and regulations.

There were no penalties of any type imposed on the company in 2018 nor any nonconformities by the companies included in this report.

One of our concerns is to keep anticorruption policies in force and understood by the entire organization. These policies are presented and explained to our workers through training by experts, the last session being held in the fourth quarter of 2018. We are also making efforts to coordinate compliance and anticorruption policy actions with our contractors, who have participated in our training on this subject.

Additionally, key to determining our regulatory principles is being open about how our organization is structured. Our corporate governance is headed by a Board of Directors in each of our corporations, comprised of 3 main members and 3 alternates.

The main Directors are two officers from our controlling shareholder: Walid Mouawad and Jean-Daniel Borgeaud, as well as Fernando Gonzalez, our CEO, who has a long-standing relationship with the controlling shareholder. Alternate Directors are Pablo Valenzuela, Pablo Cavallaro and Nicole Pitronello, members of the Finance and Legal Departments.

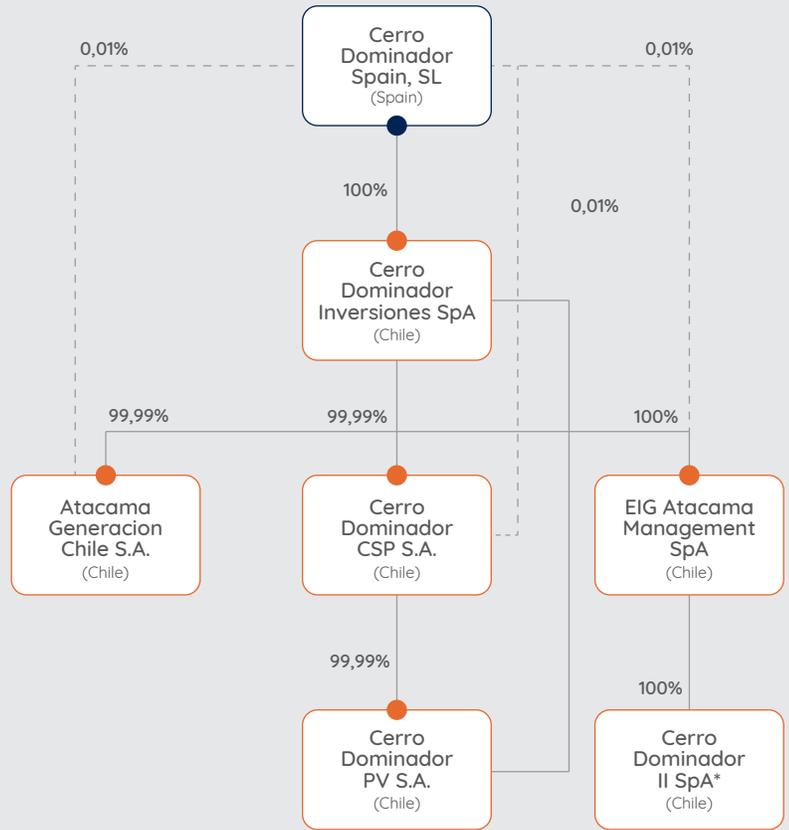
All major decisions of the companies are analyzed and debated by the Board. Nonetheless, there are full powers of attorney in place to handle the day-to-day matters of the companies' businesses.

Locally, the daily activities are managed and approved by the Executive Committee whose members are the top officers in Cerro Dominador. Members of the Executive Committee attend weekly meetings personally or by phone/video conference call, and additional meetings are held if necessary.

The Executive Committee also issues a monthly report on the Company's main activities.

That report and the construction and operating reports by third parties are distributed each month to the managers of our controlling shareholder.

Structure of Cerro Dominador



* Cerro Dominador II owns the Pampa Unión project.

No stakeholder had a representative on any company board of directors in 2018.

As of March 2018, only one of the main members of the Board also held an executive position³.

The joint stock companies forming part of the Group (Cerro Dominador Inversiones SpA, EIG Atacama Management SpA and Cerro Dominador II SpA) have an administrator instead of a board of directors.

The administrator of Cerro Dominador Inversiones SpA and Cerro Dominador II SpA is EIG Atacama Management SpA. The administrator of EIG Atacama Management SpA is Cerro Dominador Spain S.L.U.



³ The three alternate members of the board also hold executive positions.

Our Work in 2018

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We frequently face new challenges during the development of our projects. In the case of Cerro Dominador, the senior financing was the first and most important. We finally closed the financing of 760 million dollars in May 2018, after which we were ready to begin work.

This financial closing and the subsequent resumption of the construction work had enormous implications for the zone and the country, mainly related to supplier payments that had been left pending due to the financial troubles suffered by our original contractor.

Approximately USD **250 million** was paid to suppliers and subcontractors in 2018. Upon resuming the project, Cerro Dominador paid the outstanding debt of the original construction contractor, thus guaranteeing that the money would reach the people who had performed the work. This had a positive, direct impact in the region as many domestic and international companies have local headquarters or employees there.

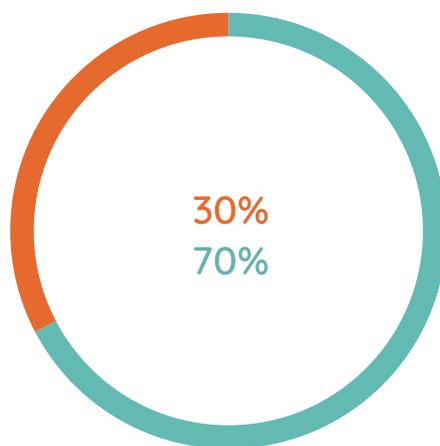
Also of note is that 70% of the total⁴ number of orders issued to suppliers went to Chilean suppliers.

The normal supplier payment period at the Santiago office is less than 30 days, a deadline set by the company itself.

However, aware of what timely payments mean to small and mid-sized

Suppliers by number of orders

■ International Suppliers
■ Domestic Suppliers



Source: SPV Acciona - Abengoa

suppliers, the period of payment in 2018 was an average of 15 days⁵.

Another great milestone was the connection and beginning of operations of the photovoltaic plant. This plant is operating with a plant factor of 34.7%, taking advantage of the excellent radiation in the Atacama desert.

During 2018, energy generated by the photovoltaic plant totaled 304 GWh, all of which was sold on the spot market.

The power purchase agreements, executed as a result of the public tender awarded in 2014, entered into force in January 2019. Cerro Dominador is fulfilling those commitments by the generation of the PV plant and expects to add the generation from the CSP Plant in 2020.

Risks and opportunities

The main risks currently faced by the CSP project are related to the factors inherent to construction of a project of this size: the principal factor is meeting the construction milestones while ensuring quality and job safety.

Our challenge as a company is to develop new renewable energy projects in the country and, therefore, our consolidation depends on the realization of new projects in 2019.

The opportunity comes from the position of being the first project with this technology in the nation. Yet, at the same time, it represents the challenge of leading the industry.

⁴ Data provided by Acciona and Abengoa, the Construction Consortium.

⁵ Finance Department.

Governance in the period

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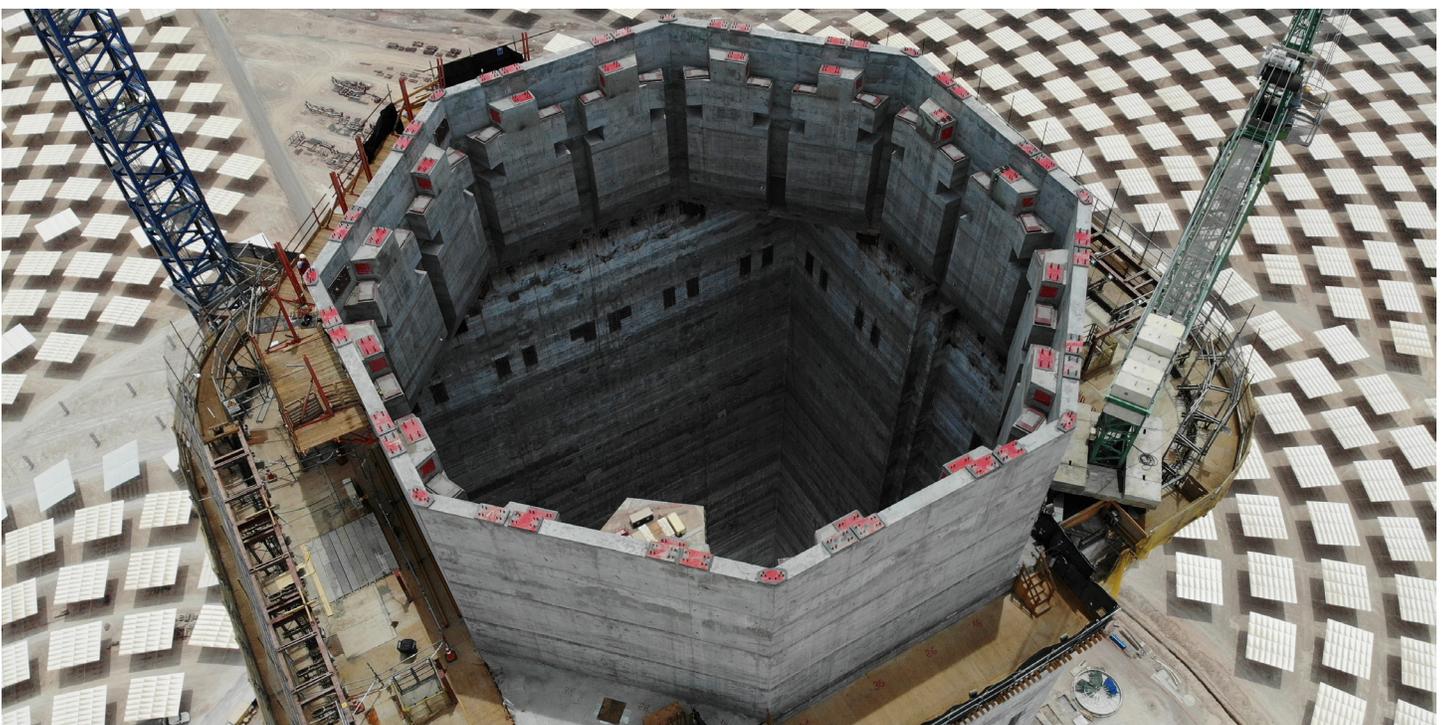
Given the company's characteristics and the fact that it is still small, no board committees have been established. Instead, the board debates and decides on the different managerial aspects reported by the respective committee. The know-how and experience in economic, social and environmental matters of its members was taken into account in appointing directors.

The Board of Directors must abide by domestic and international compliance standards in handling potential conflicts of interest, as well as the policies of its controlling shareholder.

As EIG Global Energy Partners is the sale owner, there are no minority shareholders in our organization.

The Executive Committee handles the approvals and updates of the organization's goals, the statements of values and missions, strategies, policies and economic, environmental and social goals. The Board supervises those actions.

Members of the Committee are evaluated once a year against the goals set at the start of each period.



Sustainability

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The vision of Cerro Dominador is to drive the transformation of the Chilean energy matrix towards power generation that enables a sustainable future. Therefore, we want to be a benchmark for the domestic industry in the development and management of renewable energy projects under the Cerro Dominador seal. This means activating projects that fall within a policy of innovation, integrity and quality.

To consolidate these principles, we have established certain commitments to:



Corporate Governance and Ethics

Fostering the development of good business practices.



Workers and Collaborators

Creating good relations in an environment of equality, respect and ethics.



Customers

Providing a manageable, clean and safe power supply.



Suppliers

Maintaining open communication channels and promoting their insertion in the project supply chain while also developing the incipient domestic industry related to our technologies.



Community

By establishing a direct tie between projects and communities and being a good neighbor, we will create value and opportunities for long-term development.



Environment

Caring for and strengthening our environment by adopting appropriate control and protective measures.

In line with these purposes, we have drafted our sustainability policy in reference to ISO 9001, ISO 14001, ISO 26000, the Principles of the United Nations Global Compact, the Ecuador Principles and the IFC Environmental and Social Performance Standards.

For the next two years, Cerro Dominador will be focusing its actions in the following areas to consolidate our sustainability policy, contribute to a sustainable development of the energy sector and move towards the Sustainable Development goals that we have adopted:



The Energy Impulse

Since caring for the planet and the environment in which we live is a priority in our daily work, we promise, in addition to innovating in the renewable energy sector in respect for the Environment:

To prioritize projects that have a positive impact on the environment and a clear environmental seal, which also ensures that energy projects are sustainable over time for investors, communities, authorities and stakeholders.

To promote the importance of clean energy through Solar Education Programs and information to the public at large to help reduce emissions in Chile and the region.

Gender and inclusion

These are two key aspects of Sustainable Development addressed in each project through the Mirror local hiring program. That program prioritizes the training and hiring of female workers.

The company is also participating in the Win-Win Program of the Ministry of Energy where the goal is for generators to make advances in female equality in work environments. The company is also a member of the Energy + Women Committee.

Production Development / Tourism

Another way in which we consolidate our engagement with the communities where we operate is through the job competencies that we articulate and implement. For that reason, a key part of our role in regions is to develop capabilities starting with the operating stage of our projects so that they are useful in new technological developments, whether our own or third parties. This is done by:

- » Training and integration of local workers to project works.
- » Training and hiring for plant operation and maintenance to create permanent, quality jobs. Local hiring will be preferred in this regard.
- » Programs focused on consolidating a network of local tourist guides to take advantage of the positive impact of the innovation by our projects.



Our networking

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As one way to give continuity to the actions set down in our Sustainability Policy, in 2018 we were members of different associations to leverage initiatives that also aim in this direction.

We are one of the founding members of the Concentrated Solar Power Association (ACSP), whose main goal is to spread solar thermal technology in Chile.



We are also a member of the Association of Generators of Chile, an organization that works around the idea of “inspiring and leading the energy transition through the promotion of public policies and good practices for the best use and generation of electricity.”



We are members of Acera because the main goal of this organization is “to promote a regulatory framework that will allow Unconventional Renewable Energy (ERNC) to compete under arm’s length conditions against other traditional sources.”



We are members of the Chilean-American Chamber of Commerce, which is an important ally of our company because it seeks “to promote free trade, investment and complete integration between Chile and the United States while creating value for our members and society.”



These networks, in particular the push to create the ACSP, aim to promote technology so that the next solar thermal projects can be implemented in the country and thereby expand the company’s horizon.



Definition of material issues⁶

To our company, a permanent open, bilateral communication is key when identifying the issues that are relevant to stakeholders.

We believe that understanding the information needs helps us adopt better decisions about our business. One way of being in permanent contact with different actors is through interviews, query channels, and ongoing talks with stakeholders, which gives us an all-around perspective for the development of our projects.

The annual stakeholders survey is key to the project and also a way of fulfilling our obligations to our lenders. The main stakeholders were determined by stakeholder mapping this year, which brought to light material issues that we address in this report.

In addition to this study, we compiled information from the following sources: complaint, reporting and suggestion channels, the media, social networks and interviews.

We provide information on the company permanently through different channels, such as informational brochures, community meetings and our website. The material issues were:

- » Emissions and a positive impact on climate change
- » An impact on biodiversity⁷
- » Job creation
- » Financing
- » Training
- » Contracting domestic and local suppliers
- » Reactivating the project and paying project debt
- » Ethics and compliance

⁶ Cerro Dominador participates regularly in international events, which has served to promote technology as a relevant source for decarbonization under way around the world.

⁷ Mainly in connection with local fauna.

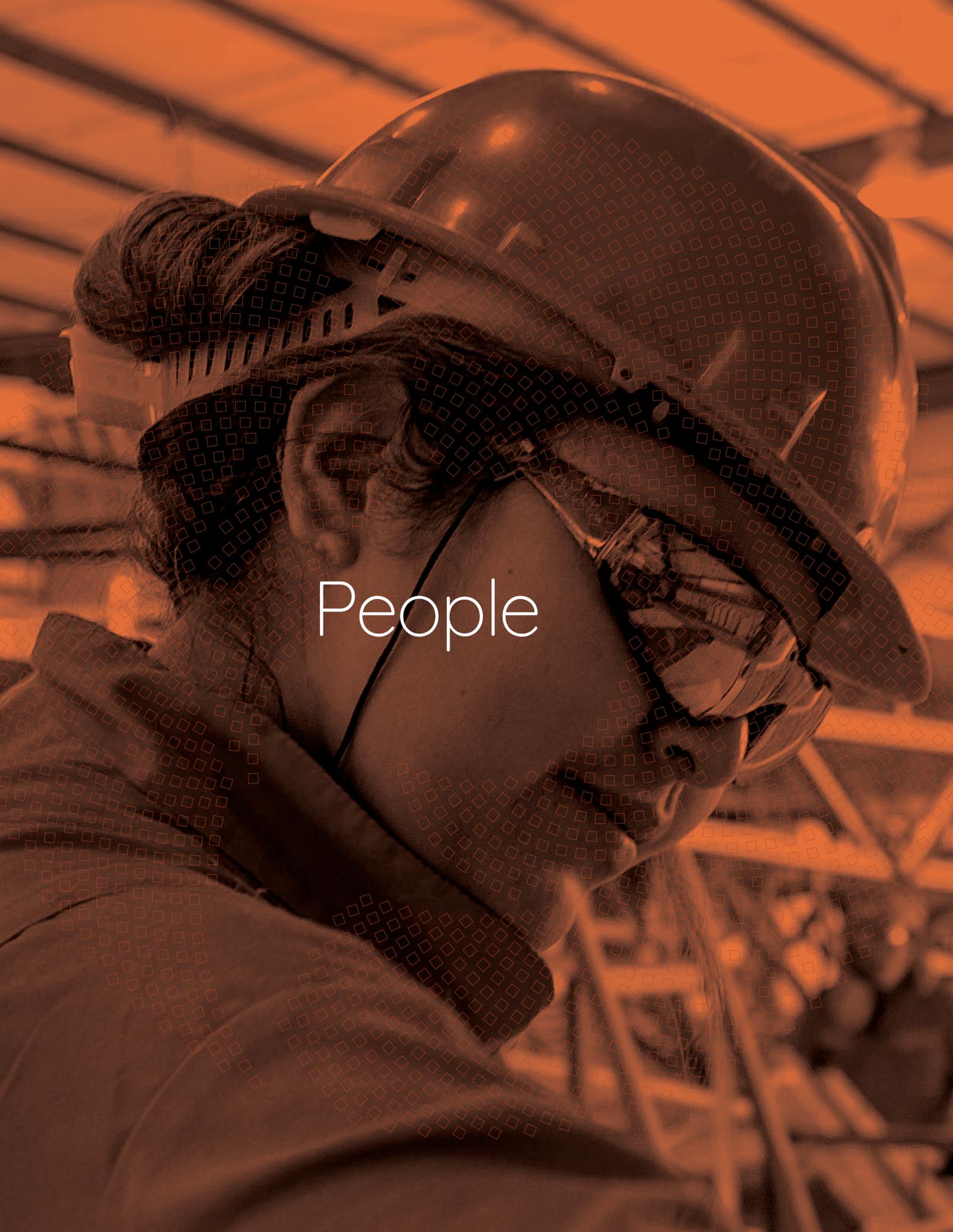
Complaint and reporting channels

We compiled a total of 341 messages between June and December 2018 comprised of questions, congratulations, complaints, claims and suggestions. 76% dealt with questions from people interested in forming a part of our company, while 19% were questions by our suppliers.

The period from July to October of 2018, i.e., once work resumed, was when there was the most dialog with our corporate governance representatives, with members of the legal department, our suppliers, members of the community where our projects are being developed, representatives of the

environment at our projects, workers and collaborators, people interested in working with us, customers and other individuals.

So, we as a company define our different plans for interaction in the nation, the region and the local community.



People

Our workers

102.7 102.8 102.9

Workers on site in 2018



To carry out our objectives, people management is essential in all companies involved in the process.

The production chain of Cerro Dominador CSP is managed by a consortium that handles the main contracts. Of particular note is the presence of Acciona Industrial (51%), which is implementing the solar energy project jointly and with the technology support of Abengoa (49%). These companies are among the more than 700 suppliers present in the construction of our project.

As of December 2018, the entire project workforce totaled 1172 workers, 438 of whom were employed directly by the Acciona and Abengoa consortium. 734 were working under subcontracts. The number of employees is expected to reach its peak of approximately 1300 towards the end of March 2019.

There was a great push to hire employees between October and December 2018 after the project was

reactivated.

In addition, of the total number of employees, 5 are currently working on Operation and Maintenance of the photovoltaic plant.

As of December 2018, EIG Atacama Management, which provides administrative services to all companies in the group, employed 37 in the main office and on site.

Please note that there is freedom to unionize in our company and among our subcontractors and that Cerro Dominador promotes a respect for this right among its employees and collaborators. In the specific case of subcontractors, their employees are currently covered by a collective bargaining agreement negotiated by SINAMI, their union (National Inter-Company Union of Industrial Assembly Workers).

One of the main challenges we have

More inclusion

imposed in this area is to gradually increase gender equity within the organization.

As of December 2018, 17.91% of all employees involved in construction of the CSP plant were women. That number was 29.35% for the specific sector of the heliostat assembly bay and the solar field, areas where efforts are being focused on the Mirror program to increase the number of

women hired by our subcontractors. That figure was the combined total of the main contractor.

As for the company that manages Cerro Dominador, women made up 51% of staff in Santiago and on site, while 49% were men.

Although there are more female employees, if total compensation of women is analyzed, they account for

35% compared to 65% for men even though the salary ranges are similar for the same position.

These figures are reported at the end of the year, but in recent months, senior positions were filled in the company which is helping to reduce the salary gap in the organization.

Safety, the main value on site

The challenge to Cerro Dominador is to have no accidents, by avoiding any unsafe situation. We are therefore setting increasingly ambitious goals for our companies and subcontractors. To achieve the goals and move towards better conditions of occupational safety, Cerro Dominador has an

Occupational Health and Safety System aligned to the most exigent international standards and regulations.

Key to management is the culture of self-care where employees are invited to adopt simple practices to prevent, detect and report situations that may



jeopardize their own integrity or that of their colleagues. The principles adopted by the company to ensure compliance with the law and with the expectations of continuing improvement have been implanted in the Occupational Health and Safety System.

Goals

For the 2019 fiscal year, Health and Safety goals have been set for the company to improve the accident ratio among contractors and to evaluate and implement improvements to the Management System.

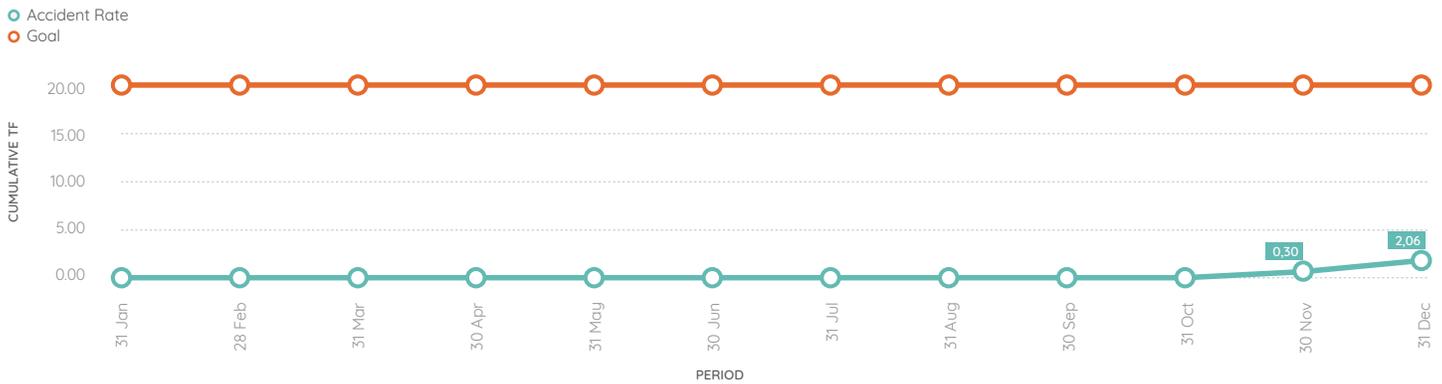
Particular goals have also been set for the Company, such as, for example, receiving OHSAS 18001 (ISO 45001) certification, the creation of Contractor Audit Plans and the quantification of the risks found and the control measures implanted.

Cumulative Accident Rate in 2018

- Accident Rate
- Goal



Cumulative Accident Rate in 2018



In this document, we report four ratios on the subject: the accident ratio, the frequency ratio, the severity ratio and the eventuality ratio.

In activities in 2018, the global accident rate of the Cerro Dominador project was 0.22%. The cumulative days lost as of December 2018 numbered 19 and the frequency ratio was 3.9. The severity

ratio as of December was 36.9 and the accident rate was 2.06.

The employees of Acciona Abengoa and its subcontractors worked a cumulative total of 514,278 hours in this period.

Although there is still much to be done in these areas, we believe that training

and ongoing improvement are key to responding to the training needs of employees. This is a constant concern of our company that we extend to our contractors.

The accident rate in the company, both on site and in offices, was zero in 2018.

Training

In 2018, each employee received an average 70 hours of training at EIG Atacama Management.

The total number of training hours for employees of Acciona Abengoa was 6,796, where the fundamental focus was safety, environment and induction courses that also included refresher seminars and content updates.

Specific training in the Mirror program was also included that is discussed in the Community section.

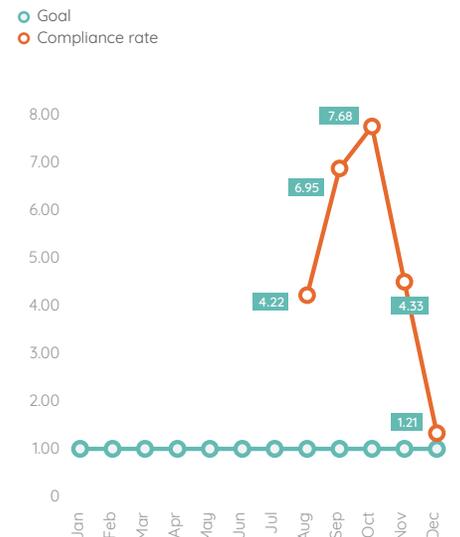
During implementation, the diverse

training initiatives had an impact on 1,956 participants.

All employees received benefits from the Cerro Dominador main office and project, such as meal arrangements, health insurance and salary compensation. During 2018, all employees also received compensation for meeting both the main goals of the company and their own personal ones.

100% of the employees of EIG Atacama Management underwent a performance evaluation in the period covered by this report.

Training





Environment

Environment

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Emissions

Our business is focused on developing renewable energy projects. For that reason, one of our salient environmental attributes is the contribution to reducing CO₂ emissions. The Cerro Dominador solar complex will avoid as a whole the emission of **840** thousand tons of CO₂ per year, equivalent to removing more than **430,000** automobiles from roads in that period.

The project emissions are relevant in the construction stage. However, in the operating stage, which is the case of the photovoltaic plant, air emissions are minimal and insignificant in comparison to the quantity of CO₂ that is not emitted into the air.

The CSP emissions (scope 1) totaled 578.4tCO₂ eq., and were measured from September 2018⁸ until December 2018. Scope 1 emissions are caused directly by vehicle traffic and the use of diesel-fired generators.

In general, construction emissions have a limited local environmental impact and are considered normal for temporary, low-risk construction activities. In line with the "Air quality report prepared during the project environmental assessment, the estimated emissions are in compliance with governing Chilean laws on the subject and no material combustion levels were recorded during the construction. Air emissions come from

gas emitted by the diesel generators and particulate matter raised by the construction work.

In this period, the photovoltaic plant of Cerro Dominador generated 304.19 GWh, revealing an average plant factor of 34%.

The performance ratio of the PV plant was 76.6%, slightly higher than the expected theoretical performance ratio (75.4 %). The average irradiation was 3.361.26kWh/m² (annual).

⁸Measurements began once the project was reactivated.

Inputs

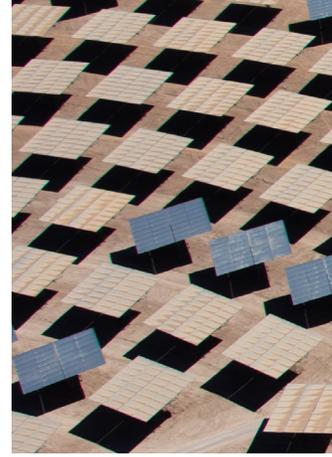


The cumulative consumption of fuel gas was 497,075 m³ as of December 2018. Fuel gas was used to support power generation for the substation's auxiliary services resulting from major maintenance performed in November.

Consumption

■ Fuel
■ Hazardous Substances





Water

Since August 2018, when we reactivated the project, we have endeavored to maintain an equilibrium in the consumption of water in the understanding that this is a very important and scarce element in the desert. Please note that water consumption by a solar thermal plant in the operating stage is approximately 3 liters per second, which is quite low in comparison to other industries in the zone.

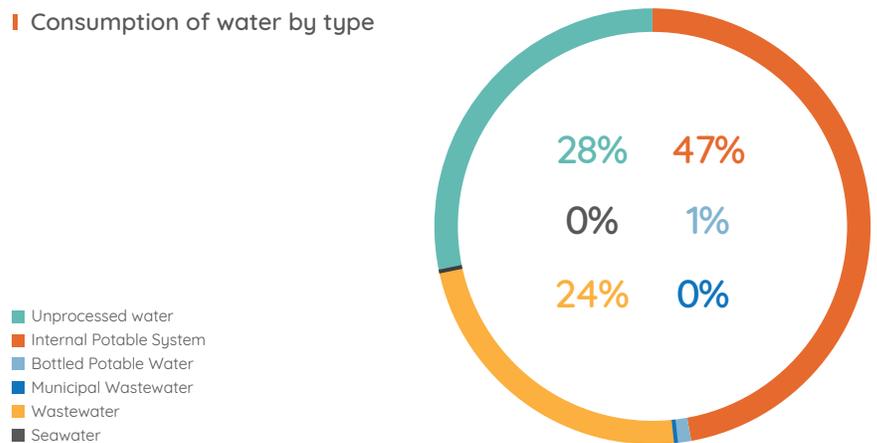
We also have treatment systems in the project to reuse the water in the construction stage.

A total of 8,017 cubic meters of water was consumed in the period. Of that amount, the greatest use of water is for drinking, which totaled 3,562 m³ in 2018. The consumption of bottled water was 314.4 m³.

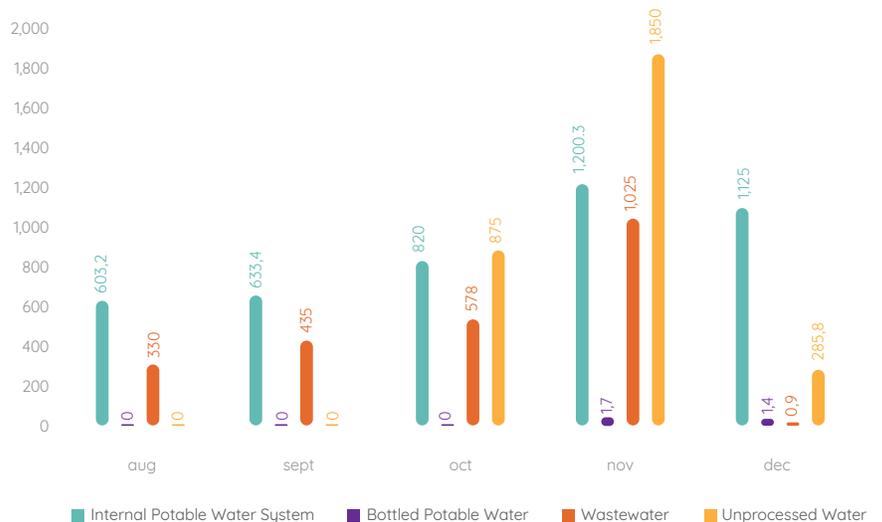
The use of industrial water totaled 2,135 m³ and treated wastewater amounted to 1,791 m³ between August and December. Hence, there is no loss or waste of water but rather it is reused, for example, to wet roads.

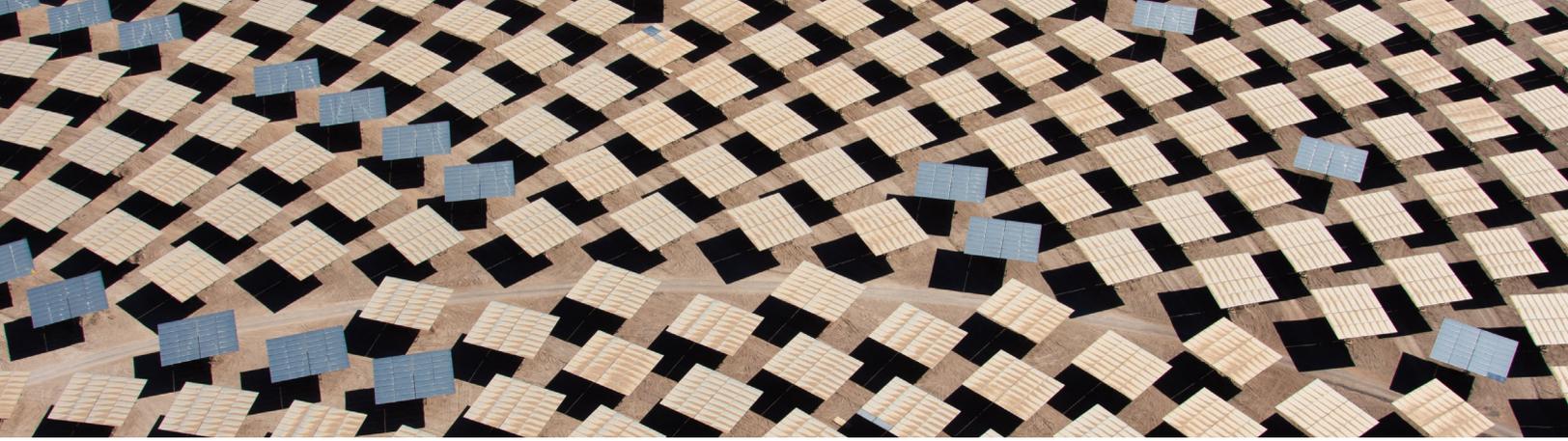
In the photovoltaic plant, osmotized water is used to clean the panels. By contract, cleaning is planned for every two months and the average consumption in each cleaning is 450 m³.

Consumption of water by type



Water Consumption





Waste

Since waste is generated in all production processes, Cerro Dominador has formalized measures with its contractors, based on the waste composition, for the removal of waste to dumps.

From September to December 2018, the Cerro Dominador power plant generated 3,408 kg of hazardous waste – paint, drums – that were taken to special dumps. 162,028 kg of non-hazardous waste was produced in the same period. By policy, this type of waste is removed quarterly from the plant.

An agreement will be signed in 2019 for the recycling of household waste at the plant that will be of benefit to the Loa Women's Association, a women's

organization whose monthly revenue comes from collecting and selling that waste. The goal is for this waste to have a subsequent use, i.e., to be reabsorbed, recycled or reused as material in other processes.

The project does not affect the flora and fauna in the location. The solar complex is in a zone catalogued by experts as “desert,” meaning there are virtually no flora and fauna present. The Atacama Desert is the driest desert in the world and has one of the greatest levels of radiation on the planet. Preventive measures have nonetheless been adopted, such as a bird monitoring study that corroborated the initial diagnosis.

Green Energy

The Cerro Dominador photovoltaic plant is currently closing the contracts required to receive certification of its renewable energy attributes with a local representative of international Renewable Energy Certificates (I-REC, a Dutch international certification agency).

Upon receiving this certification, the plant will be eligible to issue high quality certificates useable in any location, without restriction, to places outside of Europe or North America. The buyers of certificates will be contacted through the different traders that hold established customer portfolios.



A photograph of four female workers in hard hats and safety gear walking on a construction site at sunset. The scene is bathed in a warm, orange glow. The workers are smiling and appear to be in a good mood. The background shows the skeletal structure of a building under construction. The word "Community" is overlaid in white text in the center of the image.

Community

Community

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Cerro Dominador has proposed maintaining a close and long-lasting tie over time with everyone in the surroundings of its projects.

We are actively committed to being socially responsible to society at large and the community close to our projects.

This was the starting point to analyze and define our community relations plan and the scopes of social investment that are made based on the following guidelines:

» Maintaining permanent channels of communication and information for the different stakeholders:

- We have a procedure to handle questions, claims and suggestions on our website. Each is always answered.
- We have instances of participation and dialog for the purpose of understanding the concerns of the community and locals.

» Encouraging the hiring of local manpower.

- We are committed to hiring workers from the Antofagasta Region, especially from the municipality of María Elena, which is where our project is located. We have created an employment program in conjunction with our construction consortium and the Municipal Office of Job Insertion (Omil). The purpose is to achieve at least a 75% employment rate in the Solar Field and in the Heliostat Manufacture and Assembly Bay. To achieve this goal, we have trained local workers in their particular job.

» Focusing on hiring women.

- Through the “Mirror” program, we set the goal of at least 20% of the employees working in the Heliostat Manufacture and Assembly Bay and in Solar Field being women from the Antofagasta Region.

» Strengthening local suppliers.

- We implemented a local procurement program in conjunction with Minera Antucoya and the Technological Extension Center of the Antofagasta Industrial Association, which analyzed and surveyed the gaps in 17 suppliers in the municipality of Antofagasta. We have worked on providing technical assistance to each to help them achieve a greater degree of competitiveness on the market so that they can opt for better opportunities.

» Fostering tourism and education in technological and industrial matters relating to our projects:

- We have worked on the development and fostering of tourism in the locality of María Elena. We have supported the education of tourist guides and the drafting of a script that they can use as the basis and support for an informed exposition.

» Promoting solar education emphasizing the region:

- We have worked on a solar education program with environmental and technology academies at María Elena schools to teach students, through experiments, renewable energy and the different uses it has.



» As part of our involvement in improving the environment, in 2018 we worked with the Roadworks Department and the Municipality of María Elena on building a road to connect Highway 5 to Highway 25 to improve transit to the project.

Our projects are geographically located far from populated areas. The closest locality is Sierra Gorda, around 20 kms away. Therefore, the traditional impacts caused by construction and operation of the project are absent: noise, raised dust, etc.

Group identified as vulnerable

The project has focused on local women traditionally not hired for construction work in the mining industry characteristic of the zone, who used to be relegated to jobs where they earned lower salaries.

Appendix

Our Milestones

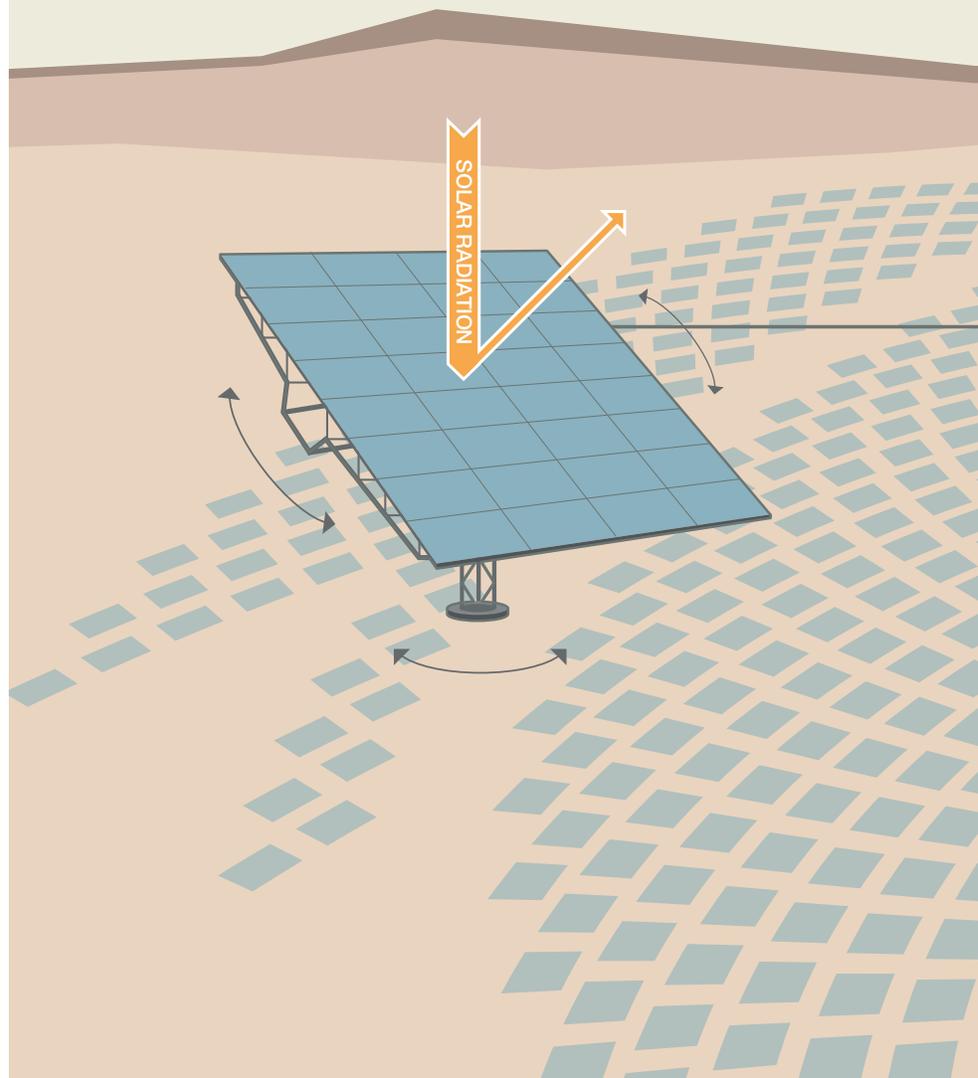


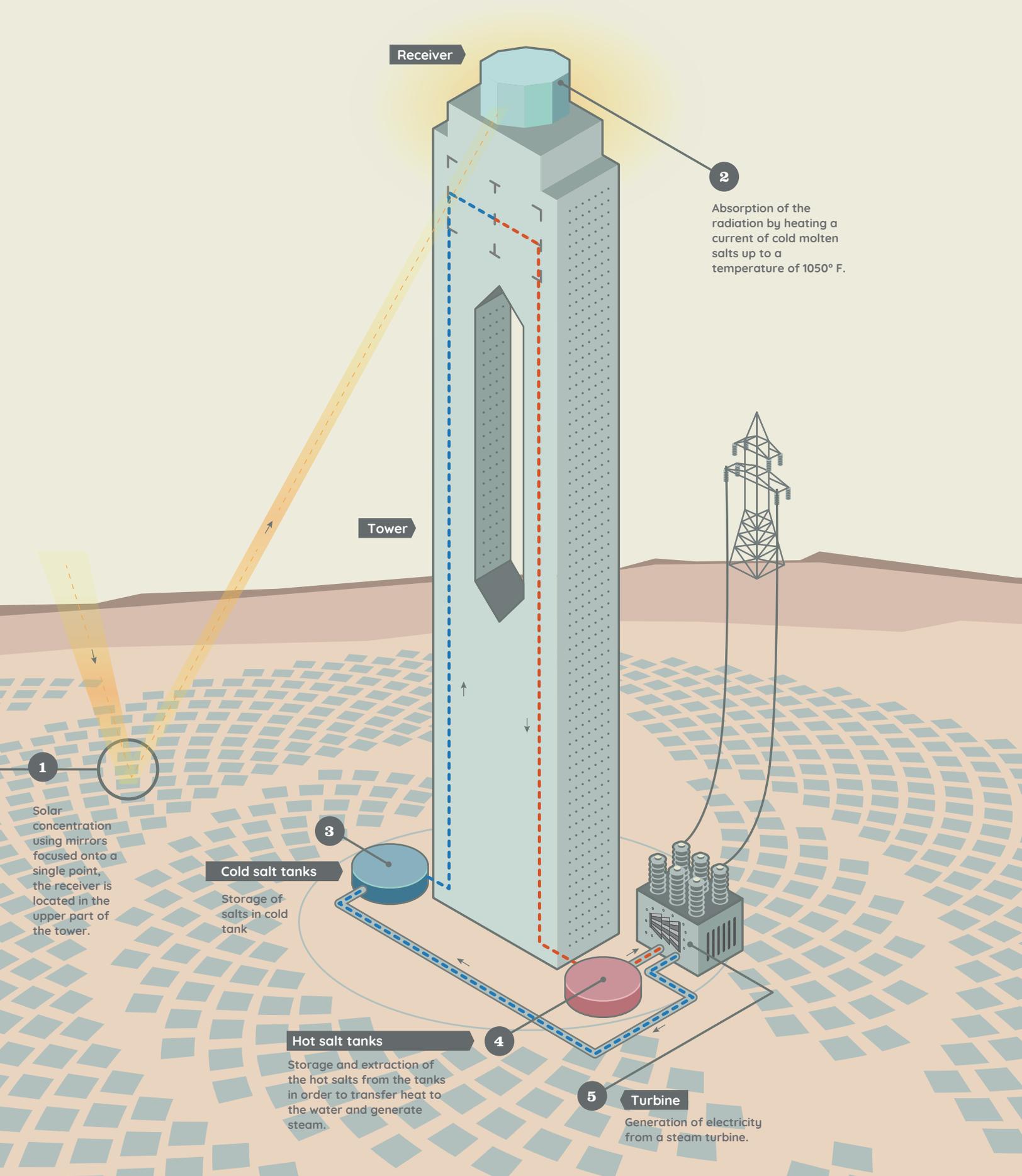
How Plant Works?

Heliostast

The heliostats follow the sun with a movement in two axis and reflect and direct the radiation to a single point on the upper part of the tower.

Each heliostat has 32 mirrors or facets with a total area of 140m² and weighing a total of 4 tons.







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