Communities local relationship policy and linkage

BASIC NOTIONS

1 Communities

For the purposes of this policy, local communities are understood as groups of persons that live in areas where the company and its affiliates directly develop their electric generation processes.

On specific occasions such term refers to regional levels, but it mainly refers to community and nearest environment levels. We seek to put particular emphasis on the nearest community settings, on the more direct neighbors, since they are special criticality stakeholders, as it will be described below.

In general terms, however, with its generation and transmission assets that are part of interconnected grids, Gener and its affiliates provide the electrical services that are necessary for the economic and social development of the countries where we operate, beyond the local communities where their facilities are installed.

This way, Gener companies form part of communities which are as broad as the markets and nations where we develop our business, to which we primarily provide electric supply efficiency and safety.

2 Stakeholders

In line with the currently predominant theoretical framework of Corporate Social Responsibility (CSR), which is the one that we are adopting and is defined later in this document, we consider as stakeholders:

(1) those persons or groups of persons who, with their actions, significantly affect or may affect, either positively or negatively, the capacity of the organization to successfully implement its strategies and achieve its business goals in the economic, environmental and/or social scopes, according to what can be reasonably expected, and

(2) those persons or groups of persons who, because of the business of the Company (productive activities, products and/or services), according to what can be reasonably expected, are or might be significantly affected in the economic, environmental and/or social scope.

3 Stakeholder Mapping and Management according to Criticality

Given the actual or potential impact of these stakeholders on the Company or of the Company on them, we need to properly detect those who are our main stakeholders and to make a systematic management of the relationship between the Company and the groups of greater criticality. The policy of the Company involves not only to perform the exercise of listing and allocating criticality to its stakeholders ("mapping", with methodological tools available at Corporate Affairs) at a

domestic level, but also to do it at the level of each local community, both at the beginning of the engagement process and over time, as frequently as required according to the dynamism of the business and the environment. This information will be an essential basis for the engagement efforts that this policy aims to guide, allowing to prioritize and differentiate scopes and communication methods, ways of interacting, forms of collaboration and specific plans of action in relation to the different local subgroups of stakeholders, within a general consistent and transparent framework.

It is important to keep in mind that communities are made up of people with a variety of interests: economic, educational, territorial, cultural. The mapping of local stakeholders is necessary to prioritize and differentiate between scopes and communication methods, ways of interacting, forms of collaboration and specific plans of action, within a general consistent and transparent framework.

It is important to keep in mind that communities are made up of people with a variety of interests: economic, educational, territorial, cultural, environmental and political, among others, and all of them are legitimate to the extent they are transparently explained as such and do not violate the law or ethics.

In low-income communities, like most of the communities where Gener group facilities are located, social needs are often essential for a significant part of the community. Due to their magnitude and diversity, the sum of these interests and social needs exceed the Company's possibilities of support and the role that it should play in such regard.

Therefore, we find it useful to adopt competitive funding schemes, with public bases and assignment criteria and transparent decision mechanisms involving various community actors, as it will be explained below. However, the projects in the social sphere favored by the community and developed by the company as a contribution to its neighbors will not necessarily prove satisfactory for local actors with other kinds of legitimate aspirations, which make up subgroups of stakeholders that can also be highly critical for the Company.

This is the case, for example, of some local environmental organizations. With respect to these groups, the Company will assess and, in some cases, develop communication and engagement channels that are different from those of the projects created or to be created in the social field within the relevant community, without being required, for that reason, to answer to any type of request and without this implying that these local groups will be privileged over the others.

For example, in the case of entities with legitimate and constructive environmental interests, it may be useful to conduct programs including visits to the facilities so that they are directly acquainted with the production process and the environmental management system of the Company, to implement a program of "environmental panels" or periodic informational meetings open to the community on environmental performance of the plant, to generate feedback and alerts channels with neighbors who may contribute to the implementation of improvements in our environmental performance, and to contribute to the development of project of local organizations that have a positive impact on the environment. In any case, it will be necessary to consider the effects that the

actions with respect to one or more groups or subgroups might have on others, and to develop them with transparency toward the local community as a whole.

Education and Training for Work and Sustainable Local Development

Contribute to the training for work, employability and entrepreneurship, mainly in areas related to the construction, operation and maintenance of power plants, and also in areas for which the local communities have comparative advantages that favor sustainable local development possibilities. We will evaluate to grant study scholarships for students of excellence.

· Contribute to education in industrial safety and prevention of drug consumption and alcohol abuse.

· Contribute to the education of children and young people in terms of social, coexisting and integration skills, and instill in them the importance of teamwork, innovation and entrepreneurship.

· Additionally, as an educational contribution and for the dissemination of our actions, Gener will promote initiatives to raise awareness of the importance of the power generation productive process, the technologies used for environmental care, and basic community-interest energy efficiency notions. This includes to gradually create visitor centers in the different power plants or complexes, with educational interactive elements; to structure visit programs, and to develop a web site and related educational activities (MIRA Educational Extension Project).

Community Infrastructure

· Support community-use infrastructure projects, including green areas and spaces for recreational and leisure activities.

· Support collective benefit infrastructure projects in the field of energy efficiency (for example, in local schools).

· Support lighting works in public spaces outside the scope of responsibility of the local electricity distributor.

· Provide educational infrastructure or equipment, with the caution that this will not imply, either tacitly or explicitly, a commitment to upgrade those facilities, that no additional contributions will be required for that infrastructure to be actually useful and/or that no other kind of responsibility may arise over time for matters that are not related to the business.

Sport

· Support and encourage the usual practice of various sporting disciplines, as a contribution to health and quality of life, and as a contribution to the prevention of addictions.

· Create and/or sponsor local sports tournaments (Gener Championships), including the contribution of cups, medals and sports equipment.

· Facilitate the integration of our people with the other members of the local community through sports initiatives where both can participate.