

ECHEVERRÍA IZQUIERDO SUSTAINABILITY 2020

CORPORATE GOVERNANCE

Board Structure and Independence

4 out of 7 members of our Board of Directors meet all the requirements established by S&P.

Independent Directors Criteria S&P	Fernando Echeverría Vial	Alvaro Izquierdo Wachholtz	Bernardo Echeverría Vial	Dario Barros Ramirez	Andrea Repetto Lisboa	Francisco Gutiérrez Philippi	Marcelo Awad Awad
1. The director must not have been employed by the company in an executive capacity within the last five years	Ok	Ok	Ok	Ok	Ok	Ok	Ok
2. The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year or any of the past three fiscal years"	NO	Ok	NO	NO	Ok	Ok	Ok
3. The director must not be a "Family Member of an individual who is, or during the past three years was employed by the company or by any parent or subsidiary of the company as an executive officer"	NO	Ok	NO	NO	Ok	Ok	Ok
Independent Directors Criteria S&P (At least 2 of 3)	NO	Ok	NO	NO	Ok	Ok	Ok

Independent Directors Criteria S&P	Fernando Echeverría Vial	Alvaro Izquierdo Wachholtz	Bernardo Echeverría Vial	Dario Barros Ramirez	Andrea Repetto Lisboa	Francisco Gutiérrez Philippi	Marcelo Awad Awad
4- The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management	OK	OK	OK	OK	OK	NO	OK
5- The director must not be affiliated with a significant customer or supplier of the company	Ok	Ok	Ok	Ok	Ok	Ok	Ok
6.- The director must have no personal services contract(s) with the company or a member of the company's senior management	Ok	Ok	Ok	Ok	Ok	Ok	NO
7.- The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company	Ok	Ok	Ok	Ok	Ok	Ok	Ok
8.- The director must not have been a partner or employee of the company's outside auditor during the past three years	Ok	Ok	Ok	Ok	Ok	Ok	Ok
9.- The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent	Ok	Ok	Ok	Ok	Ok	Ok	Ok
Independent Directors Criteria S&P (At least 2 of 6)	Ok	Ok	Ok	Ok	Ok	Ok	Ok

Board attendance

Board attendance in 2020 was 100%. According to Code of Conduct of the Board, the directors of Echeverría Izquierdo must attend a minimum of ten sessions of sessions in a year, be they ordinary or extraordinary Board meetings.

Average Attendance 2019	Average Attendance 2020
98.6%	100%

Board tenure

On average, our Board Tenure is 7.2 years.

Taking December 2020 as a reference, the tenure for our board members goes as following:

- Fernando Echeverría Vial, Alvaro Izquierdo Wacholtz, Bernardo Echeverría Vial, Darío Barrios Ramirez: 8.3 years (August 2012, when Echeverría Izquierdo became a publicly traded company)
- Francisco Gutiérrez Philippi & Marcelo Awad: 7.7 years (Nominated in April 2013)
- Andrea Repetto Lisboa: 1.7 years (Nominated in April 2019)

Board Industry Experience

Our Board has vast experience in the industry. Specifically, 7 Directors show industry related experience for Echeverría Izquierdo.

Fernando Echeverría: 43 years of experience in the industry. Civil Engineer Pontificia Universidad Catolica de Chile (1978), Diploma in Business Management from the University of Chile (1983) and Diploma in Stanford Executive Program, at Stanford University (2001).

Track record of more than 41 years of experience in the construction industry. Some positions held that can be highlighted:

- President of the Chilean Chamber of Construction (2002-2004) and president of the Educational Corporation of Construction.
- Director of AFP Habitat, Cruzados S A D.P. and Invesco S A., in addition to being a Director of the Superior Council of the Alberto Hurtado University, of Un Techo para Chile, of ICARE and of the Chilean Chamber of Construction, and as Vice President of the Los Andes Compensation Fund.
- Mayor of the Metropolitan Region of Santiago (between March 2010 and July 2011). Founding partner and current Chairman of the Board of Directors of Echeverría Izquierdo S.A.

Alvaro Izquierdo Wacholtz: Civil Engineer Pontificia Universidad Catolica de Chile (1978). 43 years of experience at Echeverría Izquierdo since its founding as manager, president and director of the Company. In addition, he was director and president of Iconstruye, a company linked to the Chilean Chamber of Construction, dedicated to electronic commerce for around 10 years.

Among the positions held that can be highlighted:

- President of ICONSTRUYE S.A.
- Director of all subsidiaries belonging to Echeverría Izquierdo S.A. Chairman of the Board of Echeverría Izquierdo Ingeniería y Construcción S.A. In addition to having been President of Echeverría Izquierdo S.A., between March 2010 and August 2011.
- Founding partner and current Director of Echeverría Izquierdo S.A.

Bernardo Alberto Echeverría Vial: Architect University of Chile (1990), and Diploma Business Management Faculty of Economic and Administrative Sciences University of Chile (1995).

With more than 37 years of experience in the construction industry.

Some positions held:

- President of the Private Sector Housing and Real Estate Investment Committee, President of the Urban Planning Commission in the CChC and President of the Construction Institute.
- Director of the National Commission for the Certification of Labor Competencies and Director of the Mutual de Seguridad CChC.
- From 1996 to 2012, General Manager of Echeverría Izquierdo Inmobiliaria e Inversiones S.A.

Francisco Gutierrez Philippi: Civil Engineer Pontificia Universidad Católica de Chile (1982), MBA IESE University of Navarra (1988)

More than 20 years of experience in the construction and real estate sector.

- Former Director of Salfacorp S.A. between 2000 and 2012.
- Participation in the boards of SM SAAM S.A., FORUS S A., South Andes Capital SpA and Desarrollo Inmobiliario Cerro Apoquindo Limitada (company linked to the Real Estate Sector.).

Marcelo Awad Awad: Civil Engineer in Universidad Técnica del Estado (Universidad de Santiago). Executive President of Antofagasta Minerals (2004-2012).

Andrea Repetto Lisboa: PhD in economics from the Massachusetts Institute of Technology, a master's degree in economics from the Pontifical Catholic University of Chile and an undergraduate degree in commercial engineering from the same university. Currently, is Professor researcher and director of the Master in "Economics and Public Policy" program in the School of Government at the Adolfo Ibáñez University.

Darío Barros Ramírez: Civil Engineer Pontificia Universidad Católica de Chile. More than 20 years of experience in the construction sector. Former Chairman of Echeverría Izquierdo Montajes Industriales S.A.

CEO Compensation - Long-Term Performance Alignment

Echeverría Izquierdo and its subsidiaries have economic incentive plans in place for all their executives and professionals. These incentives are associated with performance and results. They are determined by management indicators and meeting individually defined goals. Additionally, a stock option program has been implemented to acquire shares in EISA as part of certain executives' compensation plan. Our longest performance period applied to evaluate variable compensation in our executive compensation plan is 3 years. There are no clawback provisions and the longest time vesting period for variable CEO compensation is 3 years.

Risk Governance

Our CFO is the highest-ranking person with dedicated risk management responsibility on an operational level.

Our Audit Manager is the highest-ranking person with responsibility for monitoring and auditing risk management performance on an operational level. Both report to CEO and Board's Risk Committee.

The member of our Board with greater experience in Management Risk is Marcelo Awad, who also oversees our cybersecurity strategy. He has participated in presentations on Risk Management and Control given by EY and Price Waterhouse Coopers. He was also the Chairman of the Risk Committee as a Director at CAP S.A for two years and a member of the Risk and HSE Committee of Finning International, Canada.

For our Executive Management Responsibility in Cybersecurity our organisation has a defined role of Chief Information Security Officer (CISO), who reports directly to the Executive Management team and is responsible for overseeing cybersecurity within the company.

The sustainable development of Echeverría Izquierdo's business involves a comprehensive look at different variables. The behavior of these can determine effects both on profitability, liquidity, financing, and other financial indices, as well as on the growth perspective, long-term development and relationship with the company's environment.

A strategic look requires periodically evaluating the risks of the business, the industry and the market in which the activity is carried out, such as levels of employment and job availability, access to financing, regulations and regulatory changes, investment, inflation, safety, health and risk prevention, among others.

For sustainable growth in the long term, Echeverría Izquierdo evaluates and weighs the emerging risks that could have a significant impact on the operation and the business. In the current context of political uncertainty (regulatory and constitutional changes), a sharp drop in stock indices, a significant increase in the value of some inputs and commodities, and a drop in private investment, the company is exposed to two emerging risks:

- Risk of tax impact on mining operations (legislative discussion to increase mining royalty in Chile).
- Risk that economic crisis impacts the ability to purchase real estate (Chile and Peru).

These risks are evaluated based on the current activity and the company's strategy, raising awareness about a long-term horizon.

The company has also revised the main issues that according to internal and external views have the higher potential to impact the business. The 3 main material issues are:

- Occupational Health and Safety
According to the ILO, in the construction sector, at least 108,000 workers die in the workplace each year, a figure that represents about 30 percent of all fatal labor-related injuries. The high figures are mainly explained by the multiple risks to which our employees are exposed throughout their daily activities, such as working at heights, exposure to dust, uncomfortable positions, heavy loads, amongst

many others. As a company, we are aware of these risks, and we understand that for our business, it is vital to generate a comprehensive management system that ensures the care, safety and integrity of employees, because otherwise, our operations cannot have an adequate level of functioning. By not addressing this problem, instead, we endanger the lives of workers, also exposing us to legal, reputational and operational risks that may well undermine the continuity of our business.

- Customer and user satisfaction: Meeting customer expectations and delivering projects with a high standard of quality is key for our revenue growth. Focusing and continuing improving our quality standards have resulted in long-term relations with the most important property developers in the industry, getting to involve them early on in projects to contribute its experience in optimising and limited the risks of variations in costs and deadline.
- Innovation in our construction processes

At Echeverría Izquierdo, we understand innovation as a unique drive to differentiate ourselves in the business. Studies show that productivity in the construction industry has been stagnant for the past 20 years. Innovation is an opportunity to take off from being a mere commodity to offer services with an added value, depending less on raw materials and labour. We face two main challenges; firstly, industrialization, that is, how we are able to bring the largest number of items that are normally carried out on site to a factory. Then, there is digitization: how we take advantage of existing technologies to incorporate them into our processes, make sense of them and add value to make more efficient decisions and generate a more productive culture.

CODES OF BUSINESS CONDUCT

Codes of Conduct: Systems/Procedures

Anticompetitive practices: In the last 4 fiscal years we have had 0 fines, settlements nor pending investigations related to anti-trust/anti-competitive practices against our company.

Corruption and Bribery: In the last 4 fiscal years we have had 0 confirmed substantiated cases of corruption or bribery nor ongoing external investigations by local or international authorities against our company.

Reporting on Breaches.

3 breaches of the Code of Ethics were reported in 2020. Actions were taken for all the cases. The status to the date of the 3 breaches is closed. The first case corresponds of attempt of bribery from a specific provider to a worker of our company. The actions taken were ending the contract with the provider, not hiring new services from it, a report to the Public Ministry, and other internal administrative measures. The second case was a conflict of interest. The actions taken were ending relationships with the parts involved and other internal administrative measures. Last case was a possible non-compliance regulatory issue. A warning letter was issued, and other administrative measures were taken.

CONTRIBUTIONS

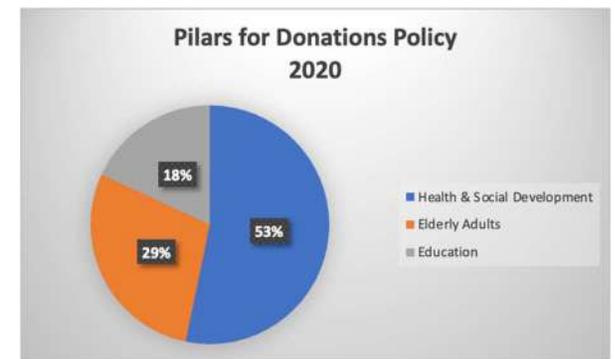
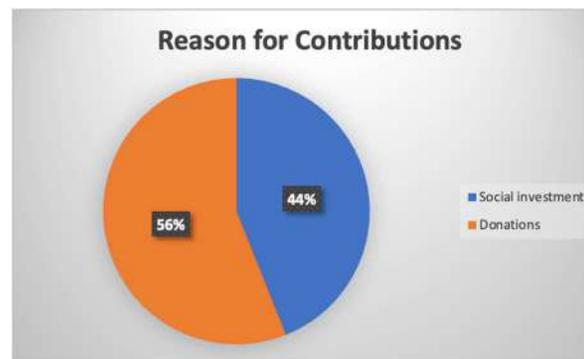
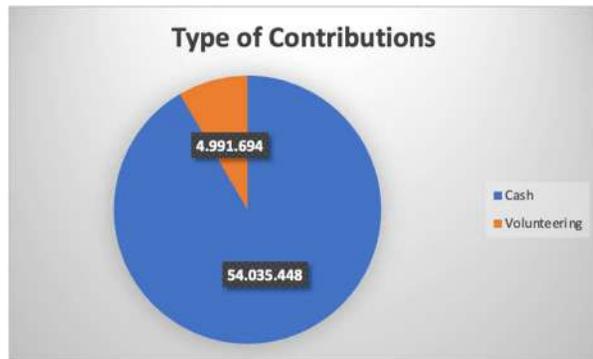
Contributions to trade associations, think tanks or tax exempt-groups

	2017 (CLP)	2018 (CLP)	2019 (CLP)	2020 (CLP)
Contributions to trade associations or tax-exempt groups	61.279.486	111.902.107	151.496.193	102.573.245

EISA or any of its subsidiaries have not made any contributions to political campaigns, representation of interests or similar local, regional or national political campaigns / organizations / candidates or others (for example: expenses related to ballot measures or referendums).

Corporate Citizenship and Philanthropy contributions

During 2020, social contributions were 59.027.142 CLP divided as follows:



SUPPLY CHAIN MANAGEMENT

Supply Chain Transparency and Reporting

We have the following sustainability KPIs, in which we expect to meet the following metrics:

Sustainability Key Performance Indicator	Target
MONITOR THE CAPACITY TO PROVIDE SERVICES OF OUR STRATEGIC SUPPLIERS	Comply 100% with our Supplier Hiring Procedure, updated in 2020, which considers the entire group. Target year: 2022
ENSURE DECENT TREATMENT FOR SUPPLIERS	Comply 100% with our Supplier Hiring Procedure, updated in 2020, which considers the entire group. Target year: 2022
DEVELOP SUPPLIERS OF STRATEGIC CATEGORIES WITH LONG-TERM AGREEMENTS	For strategic categories suppliers, reach agreements on at least 1 year basis. Target year: 2022

SOCIAL REPORTING

The data collected in the 2020 Report as well as the one presented on the following social tables represents more than 75% of the revenues of the Echeverría Izquierdo group (EISA).

LABOR PRACTICE INDICATORS

Indicator	Difference between men and women employees (%)
Mean gender pay gap	0,46% in favor of men
Median gender pay gap	21% in favor of men

HUMAN CAPITAL DEVELOPMENT

Distribution of hours in training & development

Gender	%
Male	78,7%
Female	21,3%
Overall total	100%

Age Groups	%
35 to 44	35,7%
25 to 34	34,1%
45 to 54	19,0%
55 to 64	7,5%
Under 24	3,2%
65 +	0,5%
Overall total	100,0%

Nationality	%
Chilean	93,65%
Venezuelan	3,57%
Peruvian	0,95%
Colombian	0,57%
Haitian	0,32%
Bolivian	0,28%
Argentina	0,28%
Spanish	0,20%
Senegalese	0,08%
Ecuadorian	0,04%
Uruguayan	0,02%
Brazilian	0,02%
Overall total	100%

Organizational Level	%
Level 1: Operators and Maintainers	34,1%
Level 2: Supervisors, managers, technicians and administrators	33,9%
Level 3: Head of department and professionals	24,9%
Level 4: Senior management	7,1%
Overall total	100%

TALENT ATTRACTION AND RETENTION

New Hires

During 2020, the company had a total of 7,443 new hires. With this, the average cost of hiring amounted to \$ 369,551 CLP.

Turnover Rate

EISA	2017	2018	2019	2020
Total Turnover	23%	24%	20%	13%
Voluntary Turnover	1,9%	1,9%	1,6%	0,8%

EISA	Nationality	Overall total
Total Turnover	Chilean	13,2%
	Haitians	14,7%
	Peruvian	13,1%
	Other Nationalities	16,8%
Voluntary Turnover	Chilean	0,8%
	Haitians	0,7%
	Peruvian	1,4%
	Other Nationalities	1,5%

EISA	Age	Overall total
Total Turnover	Under 30	18,8%
	Between 30 & 40 Years	13,5%
	Between 41 & 50 Years	11,9%
	Between 51 & 60 Years	11,4%
	Between 61 & 70 Years	11,1%
	70 +	13,1%
Voluntary Turnover	Under 30	1,2%
	Between 30 & 40 Years	1,0%
	Between 41 & 50 Years	0,8%
	Between 51 & 60 Years	0,6%
	Between 61 & 70 Years	0,3%
	70 +	0,0%

OCCUPATIONAL HEALTH AND SAFETY

LTIFR = (Number of lost time injuries) / (Total hours worked in the accounting period) x 1'000'000

Note: the subsidiaries reported on the following table represent more than 75% of our revenues.

LTIFR Contractors	2020
Echeverria Izquierdo Edificaciones	4,96
Terrafoundations	0.0
Montajes Industriales	0,37
Total	1,16

ENVIRONMENTAL REPORTING

The data collected in the 2020 Report as well as the one presented on the following environmental tables represents more than 75% of the revenues of the Echeverria Izquierdo group (EISA).

OPERATIONAL ECO-EFFICIENCY

The 2020 eco-efficiency data represents at least 75% of the revenues of the company

- Energy Consumption

		Diesel			
	Unit	2017	2018	2019	2020
Inmobiliaria	L			0	0
Montajes	L		95.130	538.613	1.645.824
VSL	L			5.600	4.900
NEXXO	L	680.000	877.814	983.051	658.550
Edificaciones	L	91.845	64.779	156.305	144.081
Obras Civiles	L		22.798	13.599	
Terrafoundations	L			92.532,31	35.406
	Total	771.845	1.060.521	1.789.700	2.488.761

		Non-renewable Electricity			
	Unit	2017	2018	2019	2020
Inmobiliaria	MWh			51,00	33,80
Montajes	MWh	205,67	1.160,17	17.398	15.213
VSL	MWh			20,60	18,00
NEXXO	MWh	213,33	200,22	185,76	151,90
Edificaciones	MWh				1.282,56
	Total	419,00	1.360,39	17.655,36	16.699,26

- Water consumption

Municipal Waters					
	Unit	2017	2018	2019	2020
Inmobiliaria	m3			934	1.536
Montajes	m3	33.706	37.442	8.644	20.616,5
VSL	m3			3.000	2.600
NEXXO	m3	2,39	2,43	2,81	2,70
Edificaciones	m3				107.920
Terrafoundations	m3			6,80	
	Total	33.708,39	37.444,43	12.587,61	132.675,20

Surface Waters					
	Unit	2017	2018	2019	2020
Obras Civiles	m3		7.677	2.459	

- Waste Generation

Non-hazardous Waste					
	Unit	2017	2018	2019	2020
Inmobiliaria	ton			3,94	5,90
Montajes	ton	261,30	544,94	754,84	787,03
VSL	ton	26,92	32,59	34,26	17,90
NEXXO	ton	158,10	62,46	48,91	18,56
Edificaciones	ton			1.028,70	2.766,75
Obras Civiles	ton		148,36	53,20	
Terrafoundations	ton			273,56	75,64
	Total	446,32	788,35	2.197,42	3.671,77

Hazardous Waste					
	Unit	2017	2018	2019	2020
Inmobiliaria				0	0
Montajes	ton	20,61	5,81	56,21	70,07
VSL	ton	1,67	0,96	1,89	1,09
NEXXO	ton	51,57	46,52	28,71	5,89
Edificaciones	ton	0	0	0	0
Obras Civiles	ton			1,28	
Terrafoundations	ton			17,79	18,39
	Total	73,85	53,29	105,87	95,44