





4. Worker Relations

4.1 Our Workers

[G4-DMA] In 2016 we set several challenging goals and objectives, which we were able to tackle thanks to high level of technical, professional, and people skills of our workers, not to mention the passion with which they face new challenges on a daily basis. Accordingly, throughout the year we became prepared to take on Metro's 2020 Strategic Plan, which consists of a series of guidelines that will set our course for the next four years.

We work hard to provide a collaborative and happy work environment at Metro. This has led us to adopt a Collaborative Management model that entails several different processes while emphasizing how we want to do things at work to ensure Metro's sustainability over time.

Workers

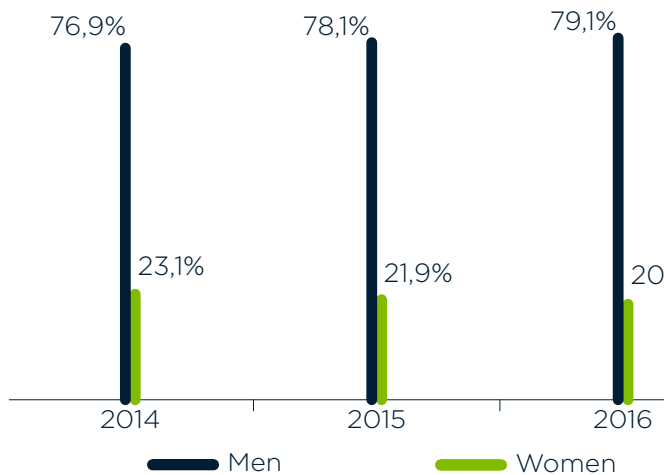
[G4-10] As of December 31st 2016, Metro had a total staff of 4,007, 4.6% more than the previous period. Moreover, 97% of Metro collaborators work full days and 96% of them have a permanent work contract. (See [Appendix for more information](#))

Breakdown of Job Categories

Year (as of December)	2014	2015	2016
Drivers	1.036	1.007	966
Executives	55	57	56
Heads	219	232	242
Station Heads	419	415	422
Operational Staff	155	204	235
Professionals	465	490	540
Supervisors	202	210	226
Maintenance Staff	339	378	358
Technical and Administrative	326	330	391
Security Guards	414	507	568
Company's Total Staff	3.630	3.830	4.007

Data published above varies slightly from last year's data due to a new classification system put into place in 2016.

Breakdown of Workers by Gender [G4-LA12]



Turnover Rate

[G4-DMA] [G4-LA1] A total of 377 workers left the organization in 2016, equal to a 9.79% turnover rate, 0.4% greater than 2015. Moreover, we should point out that most of the workers who left were men (277 in total), while only 100 women left our ranks. As far the average age group of these workers is concerned, most of them fell within the 30 to 50 years age group (5.69%). The company believes it is essential to retain and attract talent. That is why we offer a series of incentives and benefits consisting of training, performance bonuses, and other activities that improve the quality of life of our employees.

Turnover by Gender and Age	2014		2015		2016	
	N° Exits	Turnover (%)	N° Exits	Turnover (%)	N° Exits	Turnover (%)
Men	211	5.87	272	7.31	277	7.19
Women	55	1.53	77	2.07	100	2.60
Total	266	7.4	349	9.39	377	9.79
Under 30	87	2.7	119	3.2	128	3.32
30 to 50	149	4.14	194	5.22	219	5.69
Over 50	20	0.56	36	0.96	30	0.78
Total	266	7.4	349	9.39	377	9.79

Salaries and Compensation

[G4-DMA] [G4-LA13] We have a Code of Conduct that stipulates equal opportunity for everyone and rejects all sorts of discrimination. We therefore do not make any gender-based distinctions during our recruitment process, and, along these same lines, we have well defined pay bands for each position.

In 2016, the company instituted a Compensation Policy stating that upon employing new workers the company will review all collaborators' résumés and experience in order to determine where new hires will fall along the payment band for their position. This process also takes into consideration market conditions and in-house equality.

Compensation Policy

Metro relies on this policy to compensate excellence with a financial package consisting of fixed and variable compensation made up of base pay and annual incentives. There are two compensation models at our company:

- Fixed Pay: this model applies to workers who receive at least 80% of their pay on a fixed basis during the year. It includes two alternative compensation schedules: the Goals-based schedule and the Union-based schedule, the latter depending upon each worker's choice.
- Variable Pay: this model applies to Metro drivers, whose income (70%) is dependent on variables associated with the number of hours of actual driving.

Pay Gap by Gender

The following is the female-to-male base pay ratio, expressed as a pay gap ratio for the same position. Women holding the position of Section Head, for example, earn 86% of what men earn for the same job, whereas percentages above 100 represent those levels at which the average female pay is higher than men's pay, i.e., in driver positions women make 6% more than men. *ganan un 6% más que los hombres.*





Female-to-Male Pay Ratio at METRO

Type of Position	Women's vs. Men's Base Pay 2016
Drivers	106%
Executive	76%
Section Head	86%
Station Head	91%
Operational Staff	93%
Professionals	91%
Supervisors	105%
Maintenance Staff	87%
Technical and Administrative Staff	102%
Security Guards*	*

* There aren't any women in this position

Performance Reviews

[G4-LA11] Metro uses performance reviews to guide, revise and improve our management with a view to bolstering our results. Reviews are conducted in order to strengthen meritocracy as a key criterion in our employees' career development.

The results of performance reviews provide Metro with key indicators for career advancement inside the company, both in terms of applying for promotions to new positions within the company and accessing raises, courses and scholarships, among other benefits.

Collaborators who have Undergone Performance Reviews

	2014	2015	2016
Number of Individuals Reviewed	3,412	3,456	3,439
% Reviewed	94,0%	90,3%	89,8%

4.2 Collaborative Management

Throughout 2016 we continued to work towards creating a collaboration-oriented organization. To this end we implemented a model that fosters more collaborative work settings while also enhancing the skills of all Metro employees alike.

Organizational Culture based on Collaboration and Happiness among our People

In 2016 we worked on setting up a collaborative work model based on initiatives that promote positive work environments, support networks, and mindsets that promote mutual cooperation among areas and individuals.

This model entails carrying out several activities, such as:

- Leadership for collaborative management: a total of 120 senior executives and professionals underwent training, and held meetings to transfer said knowhow to their direct reports (section heads, supervisors and analysts). Moreover, 114 individuals were chosen as agents of change. These individuals are present throughout the entire organization and act as ambassadors.
- Collaboration Meetings: workshops to promote integration of positions and areas, with an emphasis on the contribution each one makes to Metro and collaboration as a crosscutting skill.
- Work Climate Management: on the basis of the outcome of the 2015 work climate survey, this year Metro rolled out several measures aimed at improving the work climate, with particular emphasis on direct work relationships.

Organizational Skills and Talent Management

We revised our Crosscutting Skills in 2016 by adding skills that are related to collaborative management, pointing out the position contribution that group dynamics have on individuals' work and team results.

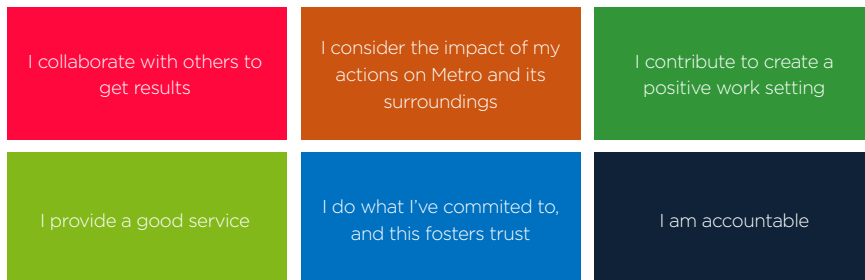
These new Crosscutting Skills fall within the framework of our new strategic planning so that people management processes are aligned with our company's

current context and sustainability. The latter encourages the implementation of Collaborative Management at our company since it is tied to one of our strategic guidelines, to wit: “Fostering people’s development in an environment featured by collaboration and happiness.”

“This change answers the new context in which our company works and aligns with the strategic planning that we wish to apply to our People Management division, with the objective of providing consistency and to maintain our administration in the long term.”

Patricio Baronti, Manager of Metro’s People Division

The new Crosscutting Skills allow workers to see the extent that their individual contribution plays in meeting Metro’s corporate goals.



4.3 Excellence Program

Starting in 2015, we launched the Metro Strategic Excellence Program (EM), which has allowed us to integrate administrative tools and practices aimed at the continuous improvement of our processes.

Objectives

To have an impact on the performance of Metro’s various areas/processes by means of adopting behaviors, tools and practices aimed at setting up efficient processes that will bring about continuous improvement by developing our workers’ skills and, in turn, leveraging compliance with our corporate strategy as an overarching objective.

This project entails applying the LEAN methodology to our processes. At the end of 2016 we launched this project at the level of minor train maintenance activities at the San Eugenio, Neptuno and Lo Ovalle workshops, and train operator payment and service assignment processes.

Phase I

- Maintenance activities at the San Eugenio workshop.
- Train operator payment process.

Phase II

- Train maintenance activities at the Neptuno workshop.
- Train operator service assignment process.
- Train maintenance activities at the Lo Ovalle workshop.

Key Benefits for Maintenance Division

- Train maintenance technicians have more available hours to work on trains (50% average increase).
- Improvements to Maintenance Staffing for an annual savings of \$200 million.
- Lower train failure rates (25% improvement).

Key Benefits for Operations & Service Division

- Operators have gained in terms of quality, transparency and equity.
- Fewer operator salary payment reassessment (>90%) and zero payment-related complaints.
- Standards are applied to payment and service assignment processes.
- A 30% improvement in train operator distribution for reserve services.



We plan on launching the third phase of this project in 2017. This involves applying the LEAN methodology to nearly 50% of Metro workers, involving new areas within the company.

We aim to achieve the following under Phase three:



4.4 Professional Development and Training

[G4-DMA] [G4-LA9] [G4-HR2] We provide our workers with several training opportunities in order to foster their professional development, while also providing them with the skills required to meet their employment objectives.

A total of 836 training activities were conducted in 2016, amounting to 195,785 training hours.

In addition to our training program, we launched a two-course compliance program (Fiscal Crimes and Anticorruption) for management, supervisory and professional positions, for a total of 722 staff members.

In 2016, the total number of training hours conducted under our 2016 training program was broken down as follows: 39% of individuals trained were train operators; followed by private security guards (19%), operations personnel (18%), management professional, technical and administrative staff (12%), and maintenance technicians

(11%). There was a significant difference in the total number of training hours provided to women (38 hours) versus men (63 hours). This final average value was determined by dividing the total number of training hours by the total number of workers trained by gender.

Annual Number of Training Hours by Gender and Position						
Positions	Training Hours		Average Number of Hours per Worker		No. of Workers	
	Men	Women	Men	Women	Men	Women
Operators	67.092	10.193	86	78	778	131
Executives	437	147	9	12	48	12
Heads	4.910	1.990	27	31	185	64
Station Heads	5.655	6.572	29	30	192	221
Operational Personnel	13.011	554	71	46	184	12
Professionals	7.912	3.436	34	28	230	124
Supervisors	9.023	578	50	20	179	29
Maintenance Technicians	20.378	632	55	49	368	13
Technical and Administrative Staff	3.627	1.776	33	24	110	75
Security Guards	37.863	-	92	-	410	-
Total	169.907	25.878	63	38	2.684	681

[G4-LA10] We also have three corporate scholarship programs at Metro through which we provide financial support for technical, university and continuing education. Workers must meet a series of prerequisites in order to apply to scholarship, such as belonging to teams with the best performance reviews and their connection with the position. Workers are able to apply to various internal benefits offered by the company as well.

In 2016, we granted a total of 237 scholarship (157 corporate scholarship and 80 under union agreements), benefiting the professional development of our workers through graduate and undergraduate programs.

Dual Training Program

In 2016 six eleventh graders from the Vicente Pérez Rosales Technical Professional High School took part in the internship program held at Metro's Neptuno workshops handled by People Management's Training Area. Students were followed closely under this program. Moreover, parents and school authorities were invited to visit Metro's maintenance and operations areas, and our corporate offices.

4.5 Quality of Life at Work

Wellbeing of Our Workers

[G4-EC3] [G4-LA2] Year after year we aim to improve our employees' quality of life. Accordingly, we offer a number of benefits and programs that cater to our collaborators' needs and support them in their daily lives.

The Company offers a wide variety of benefits that were designed with all workers and families in mind, for example: health-care and social security type benefits, education, social, recreational, and sports activities held throughout the year, and personalized social services available to workers.

Many of these benefits are provided through the Wellbeing Fund, funded through employee and company contributions. The purpose of this fund is to provide sundry benefits such as medical, dental, health and social, so as to improve the living conditions of members and their families. In 2016, Fund membership reached 98% (3,770) of Metro employees.



In 2016, the People Management Division's Quality of Life department continued providing benefits under its Preventive Health Care Program. This program fosters self-care and healthy life styles through vaccinations, support programs for at-risk individuals (involving medical and nutritional advice to workers at-risk for cardiovascular disease) and preventive health-care tests, covering 1,000 workers approximately.

Metro also has a robust Maternity Policy that provides benefits beyond than those legally required, such as gradual return to work, daycare subsidies up until the last day of children's second year, two hours off for feeding and commuting, leave for baby's medical control appointments, among others.

Moreover, we launched the Recreation and Sports Program in order to promote the integration of workers and their families with the company and foster healthy lifestyles.

The following are the main sport activities held in 2016: Quality of Life Soccer Championship (620 workers took part); Tennis Tournament (32 workers played); and the Physical Fitness Program (on average 255 workers participated monthly and 1,135 yearly). Furthermore, Metro sponsored a physical therapy massage and hydration stand for runners in the Santiago Marathon, providing coverage to 110 individuals (workers and family members).

In terms of recreational activities offered to our workers and their families, the main events consisted of: winter and summer vacation camps for workers' children (244 children registered); Children's Day festivities for a total of 740 people; 159 individuals signed up for the My Family Visits the Metro Program; and 2,070 individuals (employees and their family members) joined to the fun of our annual Christmas Party. We also put on cultural events including a series of theatre performances for a total 545 participants.



Work Climate

One of the 2016 milestones consisted of our efforts to improve the overall work climate at Metro, with the aim of making the organization more horizontal, fostering collaborating work, making collective decisions, and promoting greater involvement of teams.

In order to assess our progress towards meeting these goals, specially encouraging the personal development of workers in the arena of collaboration and happiness, we conducted a work climate survey which assessed the following thirteen key areas: commitment, communication, knowledge of position, consistency, self-esteem, integration, work facilities, workday and schedule, collaboration, uniforms and job materials, recognition, and compensation.

A total of 62.5% of the answers on the 2016 work climate survey were positive, amounting to a 4.5% improvement over 2015. Among the key outcomes were improvements in the following areas: "colleagues" (from 73% in 2015 to 79% in 2016); "upper management" (from 27.1% in 2015 to 39.1% in 2016); "hygienic conditions,"(which is related to how comfortable the workplace is in terms of temperature, lighting, security, lunch breaks, safety measures, uniform, and availability of tools and means required to do the job) was the area with the greatest room for improvement with 60.1% satisfaction rating.

4.6 Labor Relations

Having a constant and transparent relationship with the unions representing Metro's workers is essential to the company. Accordingly, during the period reported, a number of meetings and work panels were held with the four union organizations and the Federation of Metro Unions. The most important milestone met in 2016 consisted of the successful completion of two collective bargaining processes.

Union Name	Members	Date of Collective Bargaining
Union N°1	Station Staff, Private Security Guards, Technicians and others	Sep-16
Union N°2	Professional Positions, Station Staff and Maintenance Technical Staff	Aug-18
Union N°7	Train Operators and Supervisors	Aug-17
Union N°5	Private Security Guards	Sep-16

[G4-11] In 2016, 82.3% of our collaborators belonged to one of our four Metro unions, and, as a result, they benefited from existing collective bargaining coverage. This figure is 11% lower than the 2015 unionization rate.

4.7 Occupational Health and Safety

[G4-LA6] Occupational health and safety management is a priority at Metro and strategic to our business development, which is why the Board of Directors is directly involved in managing this area.

In 2016, we made progress on implementing our Occupational Health and Safety management system by way of our Corporate Occupational Health Procedures, which involve a series of measures aimed at integrating safety and health-related values and principles into our workers performance guidelines.

Prevention-Based Culture

In this area we have focused our efforts on fostering a prevention-based culture in which safety is a corporate value that requires a strong commitment from our leadership in areas specifically related to these fields of action. Throughout the year we made progress on several campaigns aimed at building awareness of the importance of self-care, with an emphasis on the impact that self-care has for our workers and their immediate surroundings.

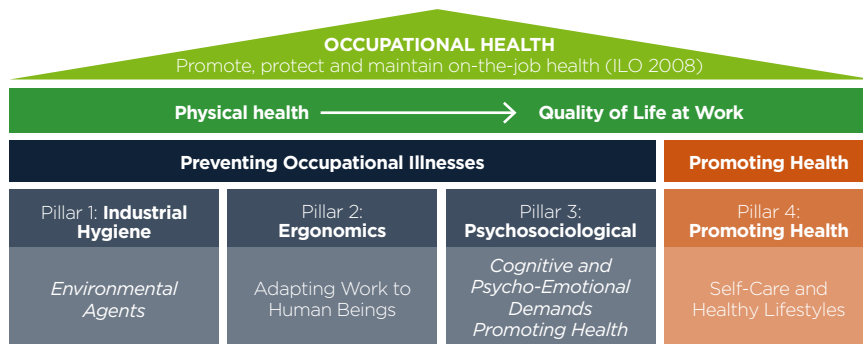
Occupational Health

[G4-LA7] In 2016, we held a series of activities related to occupational health, specifically the prevention of occupational illnesses. These were conducted within the context of Ministry of Health mandated protocols applicable to physical, chemical, ergonomic, and psychosocial risks. Safety committees, unions, accident prevention associations, and Metro administration organized them jointly.

This year we also launched several projects and initiatives related to creating greater awareness surrounding preventive health factors, such as, active pauses at work and healthy sleep habits. Also, we encourage our workers to get annual preventive tests, which are then examined by physicians free of charge and confidentially.

Furthermore, throughout the year we worked on drafting and rolling out our Corporate Occupational Health Procedures which lay down a series of measures and actions aimed at fostering the physical, mental and social health of our workers on and around the job.

Metro's Occupational Health Activities Framework



Legal Framework (Act 16,744, Ministry of Health Protocols)

Published Literature (WHO, ILO, HSE, NIOSH)

Accident Rate

[G4-LA6] As far as statistics are concerned, in 2016 there was a significant drop in our accident rate. The 2016 corporate level Accident Rate (AR) was 2.66 with Incident Rate (TS) of 28, representing a major drop when compared to 2015 results (15.6% and 6.4% less respectively).

Metro Collaborators Occupational Health and Safety Statistics

	2014	2015	2016
Accidents	138	117	103
Lost Days	1,349	1,074	1,084
Fatal Accidents	0	0	0
Frequency Index (FI)	16.69	13.66	11.5
Severity Index (SI)	163.16	136.99	137.69
Accident Rate (TA)	3.84	3.15	2.66
Incident Rate	n.d.	n.d.	28.0
Absenteeism Rate	6,7%	5.72	5.62

Note: n.a. means information not available.

Safety Committees

[G4-LA5] Metro has a total of eleven Health and Safety Committees (CPHS) providing coverage as follows: one committee for each of the four Metro lines; one committee for each of the four workshops, and three safety committees that represent the Corporate Offices. This way the company is able to ensure all Metro workers are covered and represented.

Each committee is comprised of three members on behalf of Metro's administration and three employee representatives. Senior managers sit as Metro's administrative representatives in order to foster and ensure that agreements reached are implemented. The latter also underscores the importance that Metro's Senior Management attribute to the Safety Committees, which is also acknowledged by workers, managers and outside organizations (Workplace occupational health and safety organization) (Mutual de Seguridad and Oversight Body).

The purview of safety committees is defined in Element 4 of our Occupational Health and Safety Management System which sets out the roles, responsibilities and obligations of each committee. Moreover, each health and safety committee has a Work Schedule that is assessed on a monthly basis.