



2016 SUSTAINABILITY REPORT





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Letter from the Chairman of the Board

The year 2016 will undoubtedly remain in Metro's history as a year marked by significant progress and achievements in our administration.

Operationally, the company implemented several new technologies such as CBTC, a modern and automated communications-based train control system, which made it possible to increase our transit services by 12% on the most heavily used line during peak hour. This increase is equal to 5,000 passengers per hour (during peak hour) approximately.

We also made some significant progress in expanding our bip! Card charging network. As a result of several agreements with private sector partners, in 2016 Metro de Santiago added a total of 520 new points to the network.

The company reached yet another key milestone in this area when Congress passed a new law allowing Metro to issue and operate cards with cash provision. Even though this constitutes a major challenge for us, we decided to support this initiative because we want to provide the market with an inclusive payment alternative. The model's transaction costs are lower and therefore represent a contribution and a concrete benefit to customers, especially those individuals who do not participate in the traditional banking system.

As a non-polluting, environmentally committed means of transportation, in 2016 we launched several planet-friendly initiatives, such as entering into a wind and solar power contract in order to add non-conventional renewable energy sources to our power grid. The latter will allow us to reduce national emissions by roughly 130,000 tons of CO2 annually starting in 2018, equal to planting 7.8 million trees. As a result of this initiative, 60% of Metro's energy needs for operations will be provided by Non-Conventional Renewable Energy (NCRE).

Financially, our 2016 operational results were positive, making it possible for us to remain in the privileged position we have held as a member of an elite group of subsidy-free, self-financing underground train operators. We also hit a significant milestone in our 2016 financial management when we issued a local bond in the amount UF 3.8 million at a record, guarantee-free rate, thereby reflecting our company's financial soundness and operational efficiency. Moreover, in early

2017 we issued another bond on the international market in the amount of USD 500 million (with 30 years' bullet maturity), which demonstrates the degree of confidence foreign investors have in Chile, particularly in a company such as Metro.

Regarding expansion projects, we continue to make progress on one of the most challenging projects ever undertaken in the history of Metro, to wit: simultaneous construction of lines 3 and 6. Together, these lines will boost the network's current capacity by 40%, allowing us to take a grand leap forward in innovation by installing state-of-the-art technology that will place us at the vanguard and among the world's most modern and efficient Metros. In 2016, the project moved forward according to schedule with 74% completed in December.

We added more kilometers to our network as well, but not just at random. Our commitment and ties with the community have been essential to executing this expansion project, and we have taken great care to develop it in conjunction with the community, with respect for local surroundings, according to discussions with our neighbors and with consideration of their concerns and proposals, thereby involving them in this project. Accordingly, in 2016 we escorted more than 1,000 individuals on tunnel visits; held more than 80 roundtable working and coordination meetings; and held various community activities in the area.

Making culture more available to our passengers has been part of our longstanding tradition, and in keeping with it in 2016 we took steps to expand our MetroArte collection at our new stations; also, BiblioMetro continues to increase its readership and is now the second largest public library in Chile with more than 350,000 annual loans.

In 2016, in the context of our 41st anniversary, we launched a book entitled "El gran libro del Metro de Stgo," which includes quotes and stories by citizens who have given life to Metro over that last forty years of service. It also contains a series of historic documents such as photographs, maps, pamphlets, posters and graphic memorabilia, making it a veritable collector's item for aficionados and users.

All of the company's abovementioned progress and milestones in 2016 made quite a difference in our passengers' riding experience, because their satisfaction amounted to an average of 58%, which underwent a particular upswing in the last few months of the year, especially December when it reached a four-year high at 73% net satisfaction.

We are extremely proud of these results and they encourage us to continue working hard and with dedication when facing the challenge of providing the community a safe and reliable means of transportation that also contributes to making the city of Santiago a better place to live.

Rodrigo Azócar Hidalgo
President Metro Santiago





Letter from the CEO

The year 2016 was a good year for Metro in many ways: we made progress on several fronts as a result of efficient administration, and the sustained efforts and commitment of all of our workers.

Construction on our new lines continued to progress at a steady pace. A total of 90% of Line 6 was completed in December 2016 and as such it will be opened during the second half of 2017, while Line 3 is 63% complete.

Simultaneous construction of these two new lines amounts to 37 additional kilometers of network, 28 new stations, 115 million more rides per year, and 11 countys that will reap the benefits. Five among them (Cerrillos, Pedro Aguirre Cerda, Quilicura, Conchalí and Independencia) were not previously serviced by Metro.

We are not merely adding kilometers to our network; rather, we are providing the residents of Santiago with more advance technology that will place our Metro among the most modern underground train operators in the world. Some of these technological advances include: completely automated trains and stations to reduce travel time; air conditioned trains; safer platform doors; security cameras on trains, platforms and at stations; modern devices for communicating with passengers such as informative screens and interphones; and universal access to make it easier for mobility-impaired individuals to get around.

And we continue to grow; in addition to the two new lines, we are working on Line 2 and future Line 3 expansion projects. Conceptual and basic engineering studies began in 2016. This project will allow the company to add another 8.9 kilometers to its tracks, and expand benefits to 700,000 individuals.

In 2016, 670 million passengers rode on our tracks with an average of 2.3 million passengers on workdays. The latter constitutes a tremendous responsibility that Metro fully embraces. As a result of our operational and maintenance management, there were 56% fewer breakdowns in 2016 than in 2015.

Likewise, we implemented measures aimed at improving our users' riding experience, for example, the debut of our CBTC system in 2016. CBTC is a communications-based train control system that made it possible for us to increase our train services

by 12% on Line 1's most popular section during peak hour. This is equal to moving approximately 5,000 more passengers per hour.

At Metro we have taken on the mission of guaranteeing excellent quality service, and a safe and reliable riding experience, thereby contributing to making Santiago a better city. We drew up a strategic design and rearranged our organizational structure in order to make progress in this area. In addition to catering to the business of passenger mass transit, our organizational structure has been revamped to make room for new business opportunities in markets such as real estate and payment methods.

Despite the latter, our passengers continue to be our primary interest and concern. Accordingly, in 2016 we expanded our benefits for senior citizens to include reduced rates all day long, even during peak hours. In addition, we launched a new rider registration platform that makes it possible to add 157,000 new senior users, amounting to a 30% increase in senior ridership when compared to 2015.

We have also been working on streamlining our bip! Card services so that commuting is easier. We expanded our street level card-recharging network by 24% in 2016.

Moreover, we implemented the Safe Customer Program, which consists of accident prevention initiatives, and studying other metros' good practices in the aim of replicating lessons learned.

In order to provide clear, timely and useful information, we have implemented a multichannel passenger communication strategy aimed at stepping up our direct passenger communication. The multichannel system involves the various moments in a Metro commute. Along these same lines, we have also fostered greater involvement by the communities surrounding our current and future stations, in addition to partnerships with various local stakeholders. As a result of the latter, we were able to build community-based murals and mosaics; conduct urban interventions, cultural exhibits and shows, and health-care related events; hold concerts, and lead tours of Metro facilities for neighbors and stakeholders; among other activities.

Regarding our most important internal achievements, we began an overhaul of our maintenance and people management processes by implementing the Metro Excellence program. This program involves a process management methodology which focuses on aspects that add value for our customers.

We know that our workers are one of the key links on this chain of achievements. That is why we encourage them to develop their talents to the fullest through academic training made possible under our program of scholarships, training, and other activities which all aim at improving their quality of life.

The events taken place in 2016 reaffirm our belief that Metro must be yet another citizen, and, above all, sustainable, and that through innovative administration based on providing quality services and an increasingly better riding experience, we can foster culture, and make room for more integration and citizen involvement.

Rubén Alvarado Vigar

CEO Metro Santiago





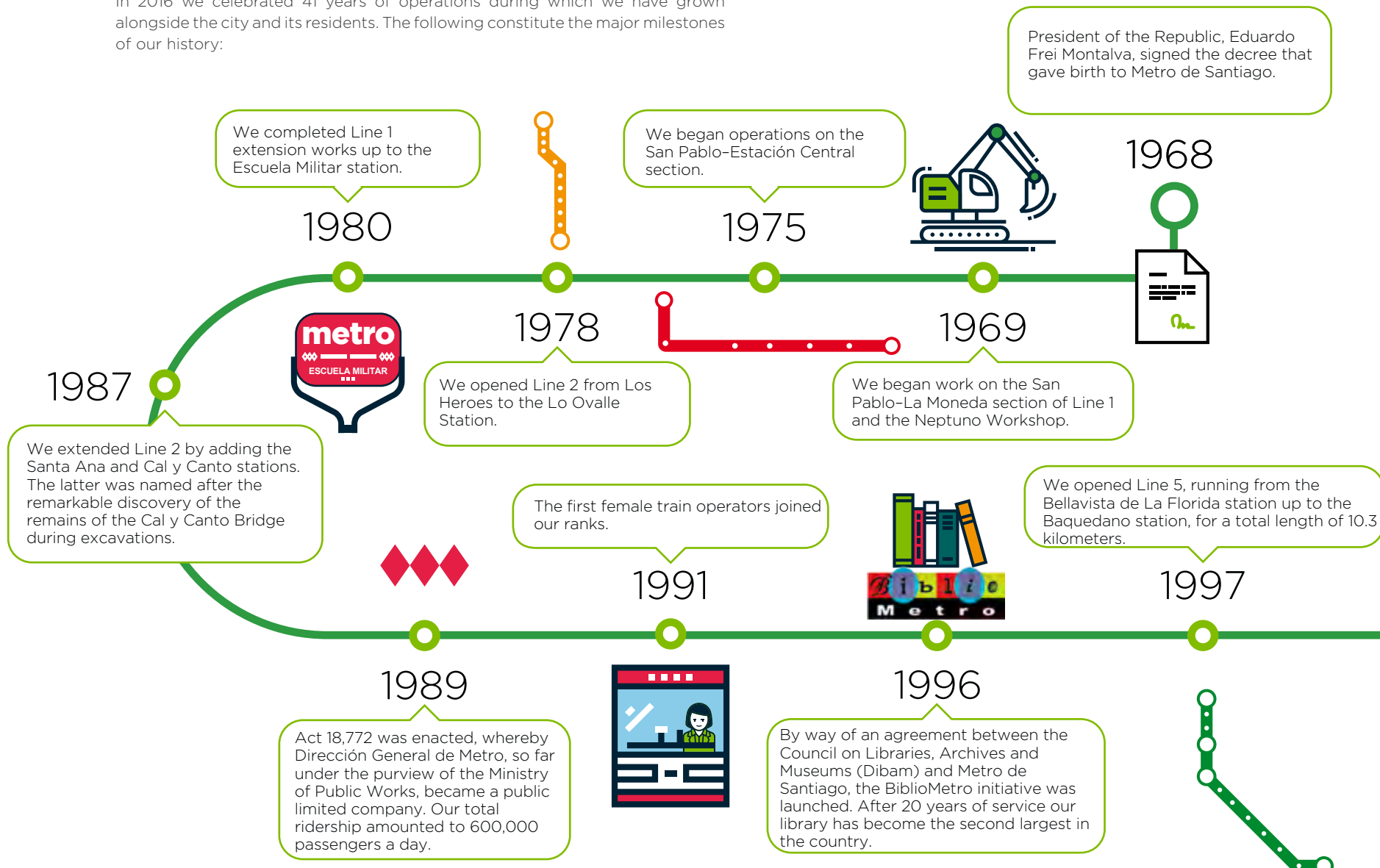
METRO
DESANTIAGO

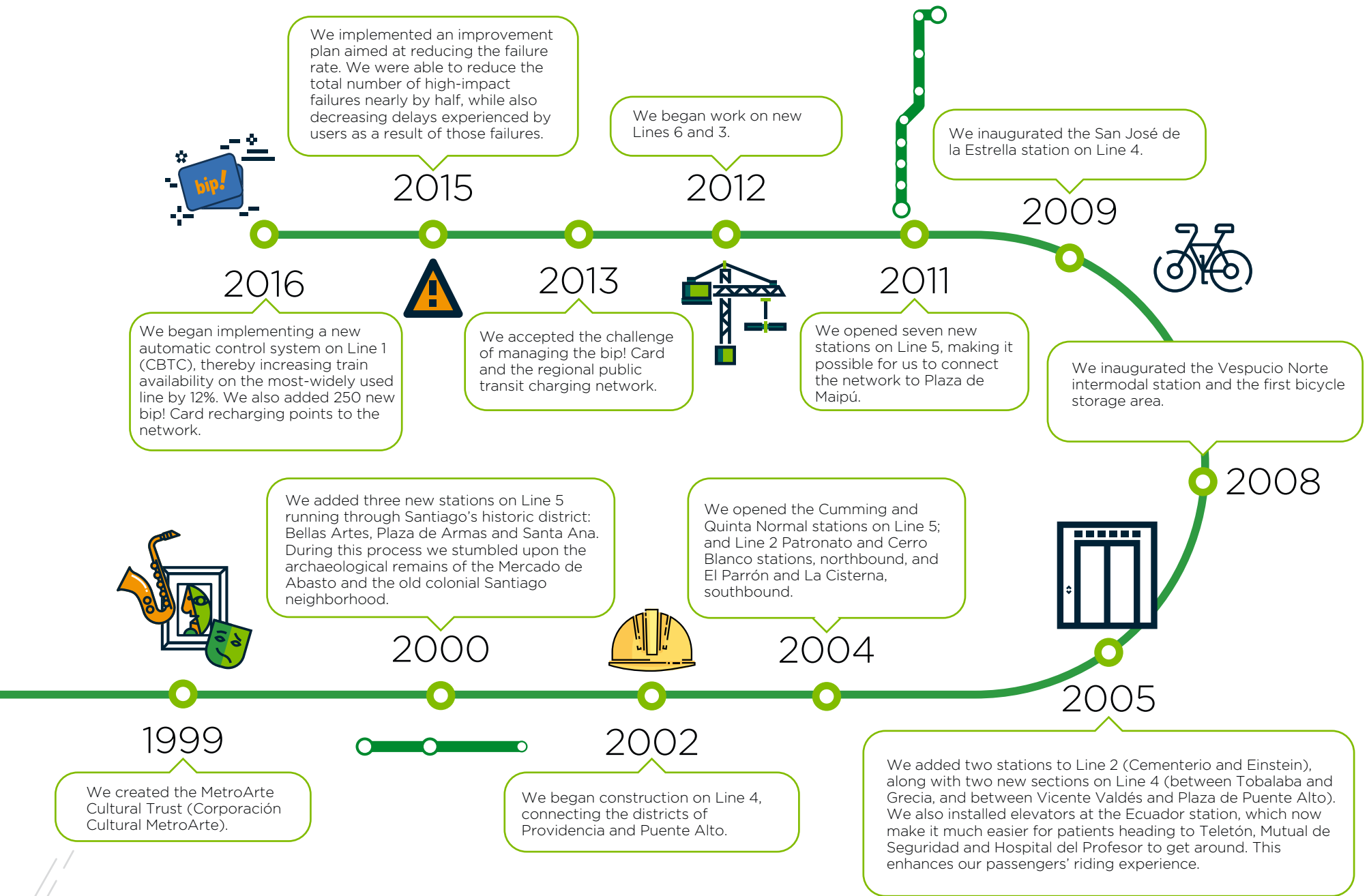


1. We Are Metro de Santiago

1.1 Our History

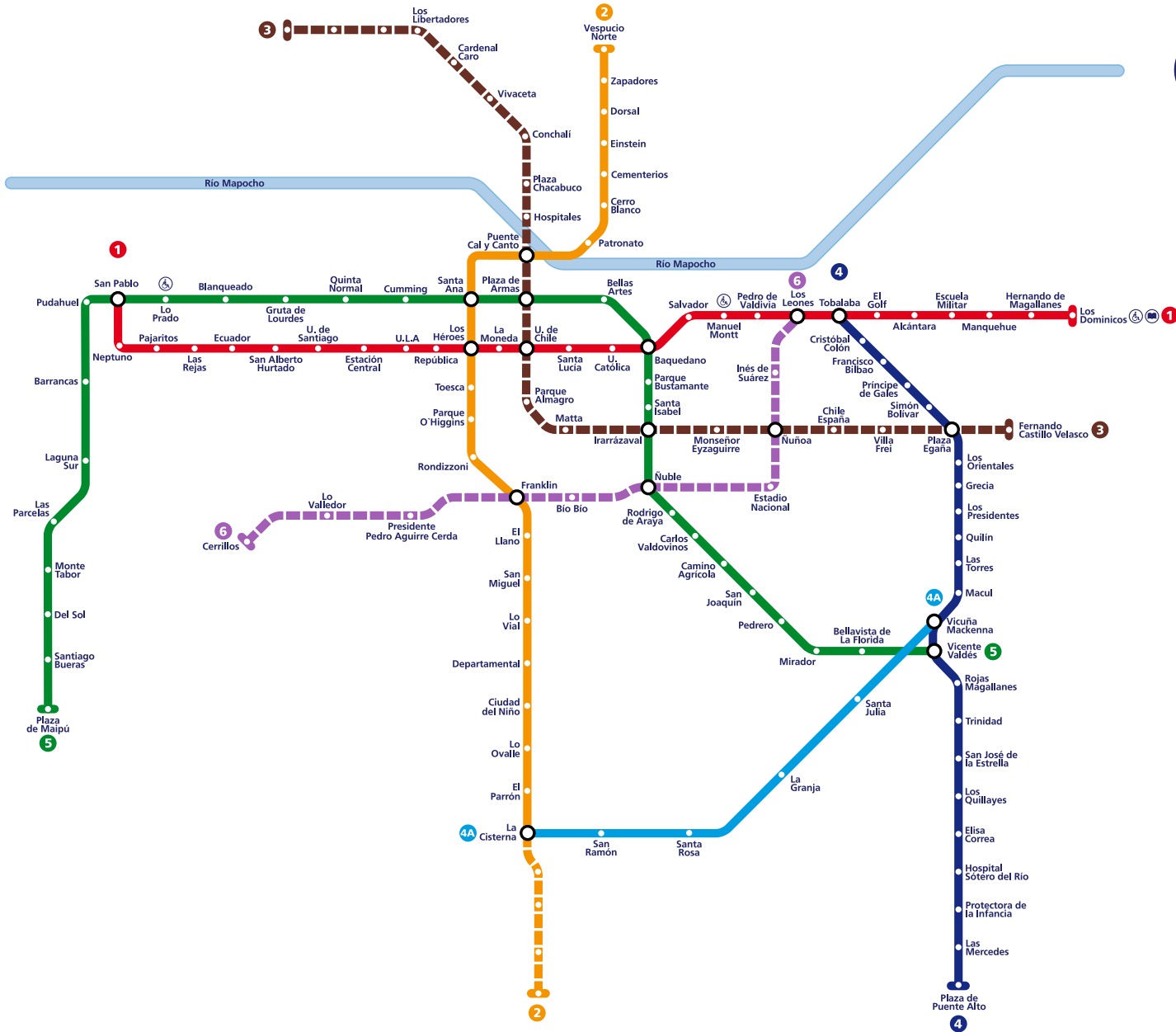
In 2016 we celebrated 41 years of operations during which we have grown alongside the city and its residents. The following constitute the major milestones of our history:

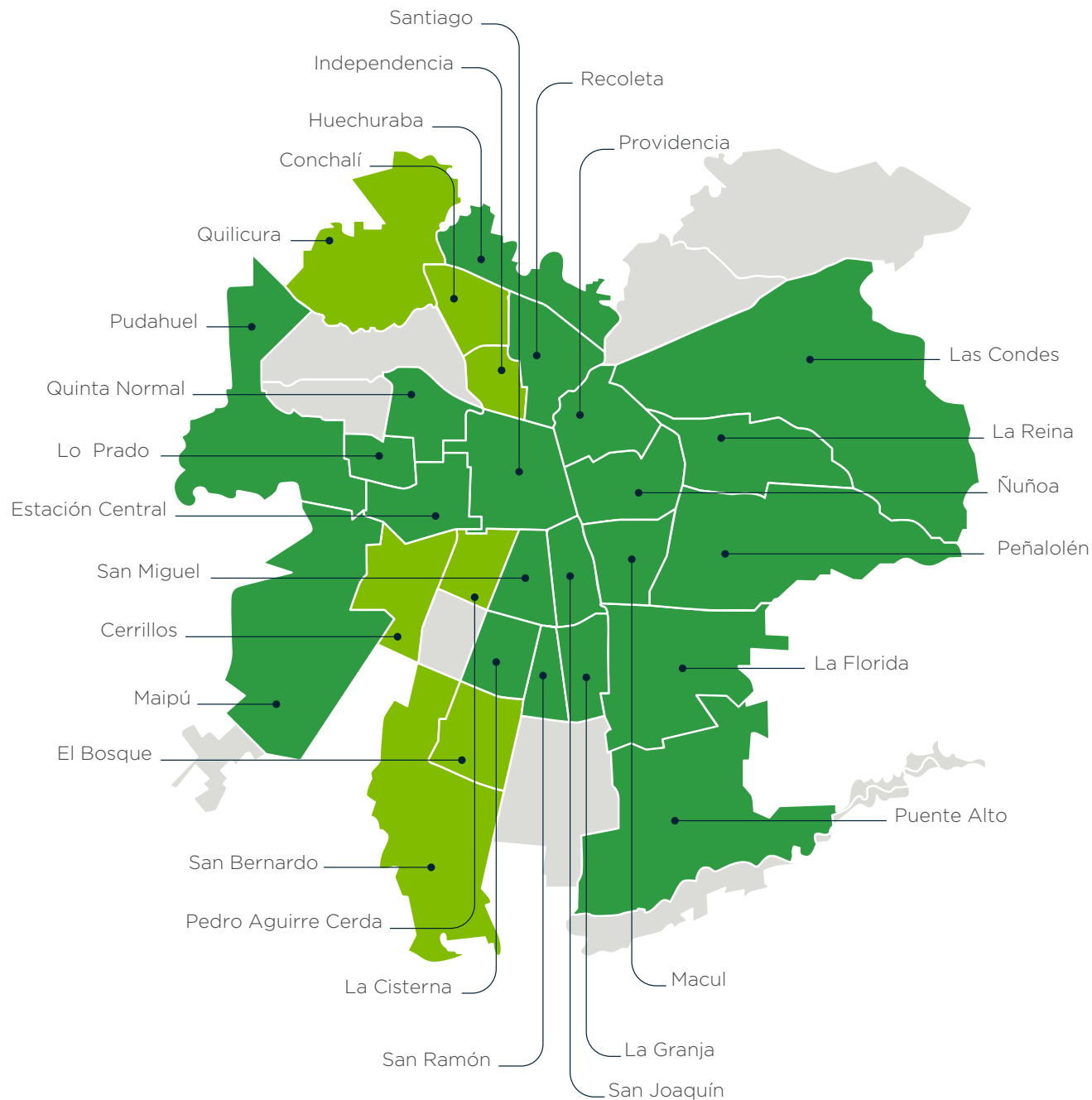






1.2 Metro de Santiago Network





Line 1

Lo Prado
Estación Central
Santiago
Providencia
Las Condes

Line 2

Huechuraba
Recoleta
Santiago
San Miguel
La Cisterna
El Bosque
San Bernardo

Line 5

Maipú
Pudahuel
Lo Prado
Quinta Normal
Santiago
Ñuñoa
San Joaquín
Macul
La Florida

Line 4

Puente Alto
La Florida
Macul
Ñuñoa
La Reina
Las Condes
Providencia

Line 4A

La Cisterna
San Ramón
La Granja
La Florida

Line 6

Cerrillos
Pedro Aguirre Cerda
San Joaquín
Santiago
Ñuñoa
Providencia

Line 3

Quilicura
Conchalí
Independencia
Santiago
Ñuñoa
La Reina



1.3 Our Business

[G4-3] [G4-4] Empresa de Transporte de Pasajeros Metro S.A. is a state-owned company located in the City of Santiago de Chile.

[G4-6][G4-8] Our main business consists of operating and building the urban rail transit system in the City of Santiago, which was used by an average of 2.3 million passengers on weekdays in 2016. This makes us a key player in the capital city's public mass transit system. Our operations exceed 60% of all trips made on the Metropolitan Area's public transit system. Our main concerns are the citizens, passengers and communities that interact with the existing and future Metro network.

[G4-8] Although we are considered to be one of the best passenger train service providers in all of Latin America, since 2013 we have also been managing the bip! card network services. This includes all street level and underground points of sales located in the Metropolitan Region.

[G4-8] We also operate other businesses such as leasing commercial and advertising space, telecommunications, space for services and ATMs, land leases, and intermodal station operations. Moreover, we have operations abroad in the form of consulting services for urban train systems

Ownership Structure

[G4-7] Our ownership structure is comprised of two shareholders: the Ministry of Finance with a 37.25% share in ownership and the Corporación de Fomento de la Producción (CORFO) - controlling partner - with a 62.75% share (as of December 2016). However, Metro does not have any joint action agreements.



1.4 Economic and Financial Performance

Main Results

[G4-DMA] Metro's total assets in 2016 amounted to MM\$ 4,225,557, 11.7% more than the previous year. Our EBITDA totaled MM \$ 83,150, 20% greater than the 2015 figure.

This year we made a MM\$ 38,250 profit due to USD exchange rate difference. As a result, we recorded an annual loss under this concept of MM\$30,543, less than the MM\$155,238 loss booked as of December 31, 2015.

Furthermore, our total financial expenses amounted MM\$ 50,226. This figure represents our contracted financial debt. Additionally, given a 2.7% increase in the value of the UF during the year, the company booked a loss of MM\$25,924 under index-adjusted unit.

[Please see our Financial Report for more financial information.](#)

Economic Value Generated and Distributed

[G4-EC1] At Metro we strive to increase the economic value of our company, which amounted to MM\$ 328,307 this year, equal to a 5% increase over the economic value generated in 2015. This value refers to the revenue we record, which primarily corresponds to ordinary assets which increased by 7% during the period mostly due to commercial space leases, accounts receivable, and technical fare income.

When we add up all of that, the result is a 5% increase in the economic value distributed. This primarily refers to all expenses incurred in the development of our business, covering aspects such as: salaries; network, trains and station maintenance; electric power supply for running the network; tax payments to the government; and debt and interest payments. Expenses associated with each of these concepts increased 5% over the 2015 figure.

Finally, Metro's reinvestment consists of the economic value generated less the economic value distributed, and the 2016 figure (MM\$ 29,476) was similar to 2015.

Economic Value Generated and Distributed		MM\$			
		2014	2015	2016	% Change
Economic Value Generated (A)		\$300.542	\$313.430	\$328.307	5%
Revenue	Income from Ordinary Assets	\$281.290	\$300.949	\$320.561	7%
	Financial Revenue	\$10.343	\$8.914	\$5.725	-36%
	Other Income by Function	\$8.909	\$3.567	\$2.022	-43%
Economic Value Distributed (B)		\$300.542	\$313.430	\$328.307	5%
Personnel	Total Personnel	\$61.331	\$68.006	\$78.681	16%
Operating Costs	Maintenance	\$48.348	\$56.442	\$57.448	2%
	Electric Energy	\$44.288	\$42.531	\$42.051	-1%
	General Expenses	\$49.913	\$52.219	\$51.376	-2%
	Total Operating Costs	\$142.549	\$151.192	\$150.876	0%
Governments	Total	\$6.396	\$7.097	\$7.845	11%
Funds Suppliers	Interest Payments	\$46.446	\$55.401	\$41.907	-24%
	Debt Servicing	\$52.819	\$60.409	\$78.475	30%
	Total	\$99.265	\$115.810	\$120.382	4%
METRO's Reinvestment	Total Re-Investment (A-B)	-\$9.000	-\$28.675	-\$29.476	3%

Metro's Fares

It must be noted that the fare we charge our riders is different from the fare that we receive per passenger transported. Although in December 2016 customers paid a fare of \$740 during peak hours, \$660 during intermediate hours and \$610 during off-peak hours, on average we received a technical fare of \$402.98 per passenger that month.

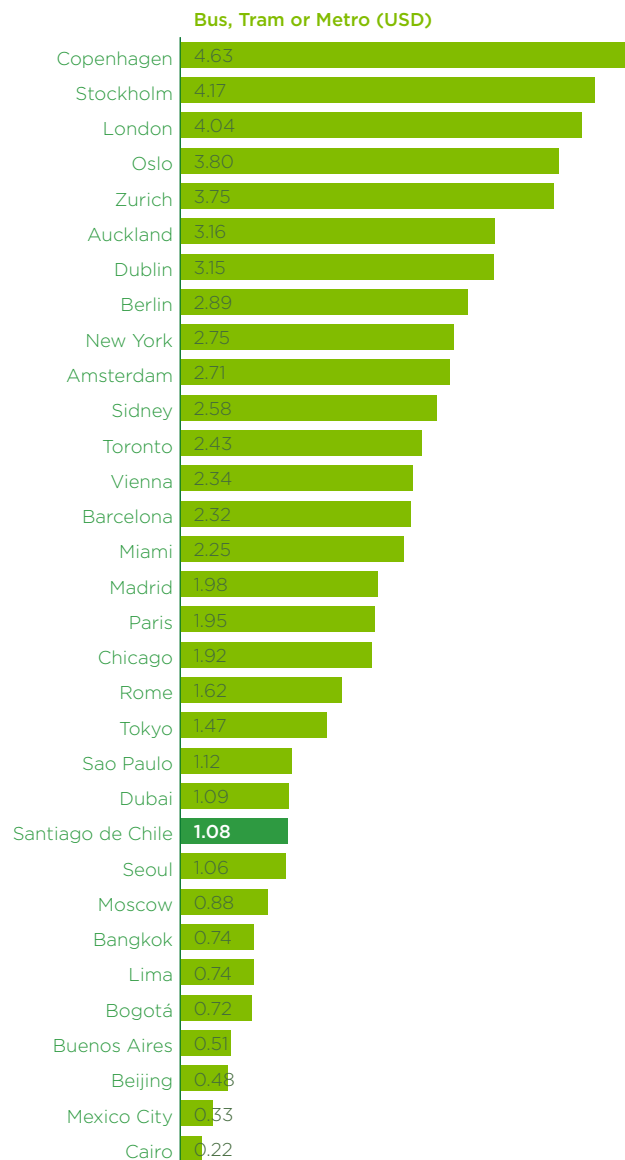
The purpose of Metro's technical fare is to cover company's costs, which consist of: operating costs, and asset replenishment and debt over a 40-year horizon. The technical fare is updated on a monthly basis using a formula that reflects variations in the variables making up the company's long-term cost structure (CPI, dollar, euro, price of power and electric power). This allows for a natural indexation to cost variations resulting from an increase in any one of the variables making up the polynomial.

The student discount fare (high school and higher education students) costs \$210 throughout the school year, and provides students the same benefits derived under the normal fare. Students wishing to transfer from buses to Metro during peak hours do not pay extra. Students may use the discount fare card 24 hours a day/7 days a week during the entire school year.

Metro's preferential Senior Fare is \$210. This fare is for exclusive use on Metro during operating hours with a maximum of two trips daily. At present, this benefit is available only at ticket counters located at Metro stations. In order to access this benefit, male applicants must be 65 years of age or older when applying and females must be 60 years of age or older when applying and all of them must be on social security or receiving a pension. For more information, go to: <http://www.metro.cl/atencion-cliente/beneficios-adulto-mayor>.

Note that the price of our fare is less than the average fare of most large cities, very similar to the public transit fare in Sao Paulo, and much less than fares in European cities such as Paris, Madrid Berlin, London or Copenhagen where fares are 3.5 times what we charge. The table below illustrates metro fares (in USD) charged in major cities around the globe. For comparative purposes the fares reflected in the table below correspond to bus, tram or metro fare for a 10-km ride or the equivalent to ten stops.

Comparative Rate Table



Source: 2015 Prices and Earnings. UBS. September 2015.



Non-Fare Businesses

As a company we operate a series of other businesses that are not related to passenger transit; we call these “non-fare businesses,” and in 2016 they accounted for 20% of our company’s total income. Our Payment Methods Management Division manages the network employed to load the bip! Card used in the Santiago public transit system ([For more information, see the “Passenger Relations” chapter](#)).

Moreover, our Business Management Division is responsible for developing, selling, and operating and managing Metro’s portfolio of non-fare businesses.

We take advantage of this type of service to bring about a win-win relationship for Santiago residents, by providing the community with services and benefits that contribute to their social wellbeing. For example, we have many conveniently located stores that we use to provide more and better services to our customers and improve our passengers’ riding experience.

Metro’s non-fare businesses are as follows:



Retail Space: we focus on leasing retail and store space throughout our network. At present, we have over 300 stores, primarily in the shape of: mini-markets, bakeries, fast food, services, etc.



Advertising: available space at Metro stations and on trains make up some of the main advertising means in the city given wide audience with broad coverage. We work with JCDecaux and SubTV who are responsible for managing static and dynamic advertising.



Telecommunications: These are communications technology-related businesses that primarily consist of antennas installed throughout our network to deliver better phone coverage in and outside of stations.



Services and ATMs: we rent space inside our network for ATMs, vending machines, pay phones and mobile phone recharge kiosks in order to provide passengers and residents with more services.



Land Leases: we aim to gain a profit from the residual land owned by Metro.



Intermodal Operations: we manage and make a profit from intermodal connections within our network.



International Consulting: as a result of our expertise, we provide support to public and private entities abroad in the process of developing rail networks. We are able to deliver consulting services for all project development stages ranging from design to start up and operations.



1.5 Our Corporate Strategy

Mission, Vision and Values [G4-56]



MISSION

To guarantee a **safe, reliable, efficient and sustainable travel experience**, in our role as a backbone of the integrated public transit system, thus contributing to a better city.



VISION

To be a company that is a **source of pride for all citizens**.

VALUES



Customer Based: We strive to be one of the best service-based companies in the country.



Safety and Security: Your safety comes first.



Operational Excellence: Predictable, safe and efficient transit operations.



Collaboration: We learn and move forward more quickly when working together.



Transparency: Is at the core of all our actions.



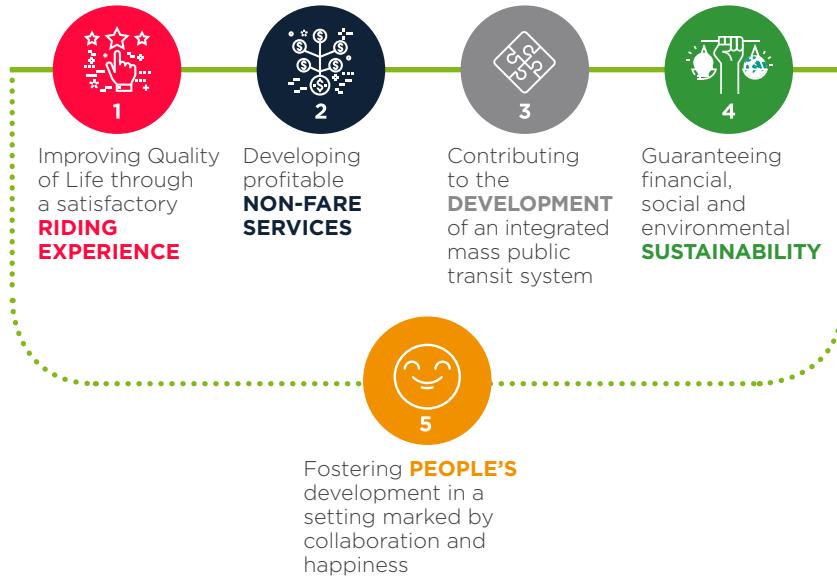
2020 Strategic Planning

In 2016 we launched a new strategic approach which focuses on our role in the city and the importance of our service to the community. In our strategic plan we underscore the importance of each trip by using the slogan “all rides matter,” a message that has enabled us to breathe life into our values by developing and implementing our strategic guidelines.

Teams of Metro workers, and members from management and assistant management divisions took part in meetings and focus groups held to design our strategic plan. The latter enabled us to imprint an integral approach to our business and our community role under a single perspective. Today we now have a more inclusive and strategic framework for our daily activities.

Once we finally drew up and approved the plan, we began circulating and sharing it with all members of the company through presentations, publications on our corporate intranet site, and actual hard copies. Our goal was for everyone to be aligned with the plan, and to share and understand the purpose of our daily business and the direction in which we are headed.

The five strategic areas of action laid out under the plan are as follows:





We defined the following strategic corporate objectives on the basis of the above strategic guidelines:

Strategic Guidelines	Strategic Objectives
IMPROVING quality of life through a satisfactory RIDING EXPERIENCE .	Ensure passengers' riding experience through a safe, reliable, predictable, and informed service with suitable standards of comfort.
	Warrant our operational experience
	Improve Passenger Safety conditions
	Develop customer segmentation and a knowledge model to define segment-based proposals
Developing profitable NON-FARE SERVICES	Provide a better service experience by developing non-fare services
	Maximize the use of Metro Spaces and leverage Metro's Knowhow , to contribute to financial sustainability
	Maximize service quality on the card charging network for the benefit of citizens
	Capture the capital gains in areas surrounding current and future stations
Contributing to the DEVELOPMENT of an integrated mass public transit system	Provide a long-term value proposal and contribute to urban integration
	Reach excellence when executing new projects, specially regarding schedule, budget and form , sustainably
Guaranteeing financial, social and environmental SUSTAINABILITY	Have a seamless and ongoing connection with stakeholders and the community, thus favoring urban inclusion and insertion
	Provide incentives for energy efficient initiatives and good environmental practices
	Optimize costs, income and fare structure , and keep borrowing model to minimum cost
Fostering PEOPLE'S development in a setting marked by collaboration and happiness	Foster an organizational culture based on the collaboration, happiness and safety of our people
	Develop a talent management structure, and organizational skills
	Ensure that the company is managing knowledge
	Develop skills in the areas of innovation and continuous improvement

1.6 Sustainability Management

Sustainability management at Metro is a cross-cutting issue, even though we have a team of individuals spearheading it from within our Customer and Sustainability Management division, which ensures that all related plans and commitments are upheld.

Likewise, in 2016, with a view to comply with the State-Owned Companies (SEP) requirements, stipulated under the Social Responsibility and Shared Value Creation Procedures, which are part of SEP Corporate Governance Guidelines, Metro appointed board member Karen Poniachik as Director of Sustainability. She reports directly to the Board of Directors regarding sustainability-related progress, milestones and challenges.

In addition to the latter, the Metro's Board of Directors is now responsible for sustainability oversight and management. They set up a separate board committee lead by board member Karen Poniachik and composed of staff from the Customer and Sustainability Management division. This committee meets quarterly. Moreover, the administration conducts monthly reviews of sustainability-related issues at its Corporate Committee meetings involving the CEO and his direct reports.

Sustainability Policy and Shared Value

Our Sustainability Policy was updated and implemented in 2015. Although the process was led by the Corporate Affairs and Sustainability Management division, several other Metro Management divisions were involved.

The document contains our statement of commitment to contributing to the development and quality of life of Santiago, by means of efficient, clean and economically sustainable network operations.

We underscore the importance of our workers, male and female alike, as important leaders who foster safe and collaborative work habits in a context that promotes their development and provides them with opportunities to progress professionally in the best possible way.

One of our mains concerns are the citizens of Santiago. We make an effort for our relationship with them to be beneficial to them through an entirely satisfactory riding experience.



Operationally, we are innovative in our solutions to decontaminate by operating environmentally friendly, electric-powered means of transportation, with an emphasis on developing projects that include NCRE and energy efficiency measures.

We consider our collaborating companies as key partners in our ability to meet our strategic objectives, which is why we enter into right partnerships for developing better standards.

Stakeholder Relations

Our strategic guidelines aim to ensure our financial, social and environmental sustainability, which is why one of our strategic objectives is to have a seamless and ongoing connection with our stakeholders, favoring urban inclusion. As such we are committed to making a contribution to the development and the quality of life of the City of Santiago.

Along these lines, with a view to planning our operations and network expansion in an efficient, clean and economically sustainable manner, we updated our Sustainability Policy to define a specific plan for working with our Stakeholders, as follows:

Pillar No. 1: Male and Female Workers

They are committed to and work hard at successfully tackling our challenges. As a result, we encourage them to be leaders in fostering a safe and collaborating working environment that allows for each individual to be his/her best.

Pillar No. 2: Citizens

We care for the citizens of Santiago as passengers and communities that interact with Metro's existing and future network. We want to have a beneficial relationship with them by providing a satisfactory riding experience that results in ties based primarily on shared value.

Pillar No. 3: Environment

Our operations constitute a contribution to the city and the environment since we operate with an environmentally friendly electric-powered means of transportation. We make an effort to strengthen our work in this area through a clean power grid and an efficient use of resources.

4th Pillar: Collaborating Companies

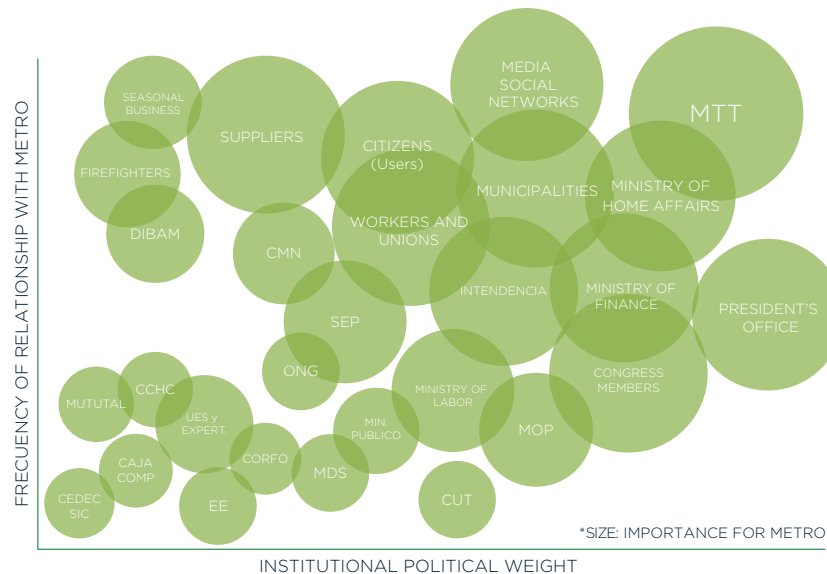
Our collaborating companies are our strategic partners and a key part to Metro's operations. That is why we like to create synergies that allow them to develop better standards and, at the same time, help them meet our objectives.





Our Stakeholders

[G4-24] [G4-25] We have drawn up a stakeholder map that we use to determine stakeholder relevance, and a list of common topics and gaps we need to close. The purpose of this is to establish direct, horizontal and ongoing ties with our stakeholders.



Stakeholder Communication and Involvement

Stakeholders	Primary Communication Channels	Material Topics
Employees	<ul style="list-style-type: none"> Social Intranet Platform (Andén Social) Andén en Línea Mail Andén Magazine Andén Noticias Digital Bulletin Andén TV corporate TV channel Meetings with Employees (team, widespread and ad-hoc meetings) Annual Work Climate Survey 	<ul style="list-style-type: none"> Employee and Contractor Safety Labor Relations Respect for Hiring Conditions Working Environment and Quality of Life at Work Knowledge Management Career Development and Talent Management Diversity and Inclusion Employment Benefits and Job Security Transparency and Communication
Suppliers and Contractors	<ul style="list-style-type: none"> Web Page Annual Report Sustainability Report Supplier Satisfaction Survey Extended Meetings with Contractors 	<ul style="list-style-type: none"> Employee and Contractor Safety Integrating Sustainability into Construction and Expansion Projects Sustainability Integration with Suppliers Transparency and Communication
Community	<ul style="list-style-type: none"> Web Page Sustainability Report Phone Service Meetings Site Visits Community Book Twitter Facebook 	<ul style="list-style-type: none"> Environmental Impact Mitigation Cultural Affairs Management Support for Social Initiatives Network Expansion Transparency and Communication
Citizenship	<ul style="list-style-type: none"> Web Page Corporate Report Sustainability Report Mass Media Twitter Facebook 	<ul style="list-style-type: none"> Universal Access Operational Continuity Network Expansion Energy Efficiency Efficient Resource Management Urban Connectivity
Customers	<ul style="list-style-type: none"> Customer Service Offices Customer Network Web page Twitter Facebook Mass Media Metro TV Metro Mobile App 	<ul style="list-style-type: none"> Passenger Communication Contingency Management Safety on Trains and at Stations Universal Access Corporate Reputation Facilities Maintenance and Cleanliness Temperature on Trains Passenger Safety Quick and Efficient Services Mass Transit System Integrated into the City
Authorities	<ul style="list-style-type: none"> Web Page Corporate Report Sustainability Report Operations Report Coordination Meetings Work Panels and Technical Committees 	<ul style="list-style-type: none"> Contingency Management Universal Access Passenger Safety Fraud and Crime Prevention Network Expansion Involvement in Public Policy Design Integrating Sustainability into the Business Managing Non-fare Businesses Mass Transit System Integrated to the City



Associations and Memberships

[G4-15] [G4-16] In addition to maintaining open communication with our stakeholders, the company is a member of the following transportation and sustainable development related associations:

Associations / Organizations	Our Type of Participation in the Organization	Projects undertaken by Committees We are Involved in
IAPT (International Association of Public Transport)	Member of IAPT, participate in events, meetings and surveys.	<p>The IAPT is an international association that gather together various public transit companies and organizations. Its goal it to promote public transportation systems while supporting its members, exchanging good practices, studies, contacts and information relevant to Metro's internal projects.</p> <p>Metro is involved in several working groups, such as Metro Division/ LATAM Division/ UTO Sub Division/ Safety Committee, and the Human Resources</p>
Corporación de Desarrollo Tecnológico (CDT) (CChC)	Member Partner and Vice-chair of the Committee on Tunnels and Underground Spaces in Chile	Metro periodically takes part in the Committee on Tunnels and Underground Spaces in Chile (CTES-CHILE), as an associate member, playing a key role in the organization as members of the Board.
Community of Metros (CoMET)	Member of Community of Metros (CoMet). Meetings and Case Studies.	Metro de Santiago is involved in this benchmarking group which consists of 34 large operators of urban rail systems from around the world. The community is divided into two groups based on annual passenger volume. These groups are led by the members themselves, and the Railway and Transport Strategy Centre (RTSC) from the Imperial College in London manages the community, specific studies, benchmarking activities, as well as a forum.
Asociación Latinoamericana de Metros y Subterráneos (ALAMYS)	Principal Partner and Secretary General of the Association since 2014.	Metro de Santiago actively supports studies carried out by the Association's Technical Committees (namely: economic development, rate policy or project construction), and takes part in the organization and development of events (conferences, academic forums, seminars and training sessions) defined in accordance with the member's approved annual work plan.
Acción Empresas	Partners	Metro has taken part in various corporate technical committees: community, customers and human resources.





METRO
DE SANTIAGO



2. Corporate Governance



2.1 Metro, a company for all Chilean

[G4-DMA] Metro is a state-owned company belonging to the System of State-Owned Companies (SEP), an institution created by the Corporación de Fomento de la Producción (CORFO) and subordinate to the Ministry of Economy, Development and Tourism. Twenty-two companies from the transportation, port and services sector are part of the SEP, which is controlled or owned by one shareholder, i.e., the Chilean State. The SEP represents the interests of the Chilean State in these companies and acts as a technical advisory body to them in matters concerning administrative oversight and corporate governance. Moreover, we are subject to the laws governing public limited companies, oversight by the Office of the Superintendent of Securities and Insurance (SVS), and regulations set forth under common law applicable to all public corporations.

Main Purpose and Attributions of the SEP

Appoint board members, and control and assess the strategic administration of the companies under its purview, with the aim of maximizing the companies' economic value for the benefit of Chile.

Sustainability of State-Owned Companies

The System of State-Owned Companies (SEP) abides by a Corporate Governance Code that consists of a series of bodies and institutional practices applicable to the decision-making process undertaken by the companies to create sustainable value—within a context of transparency, ethics, and corporate social responsibility—, while aligning interests and fostering respect for the rights of all shareholders and stakeholders who are directly or indirectly involved in the companies.

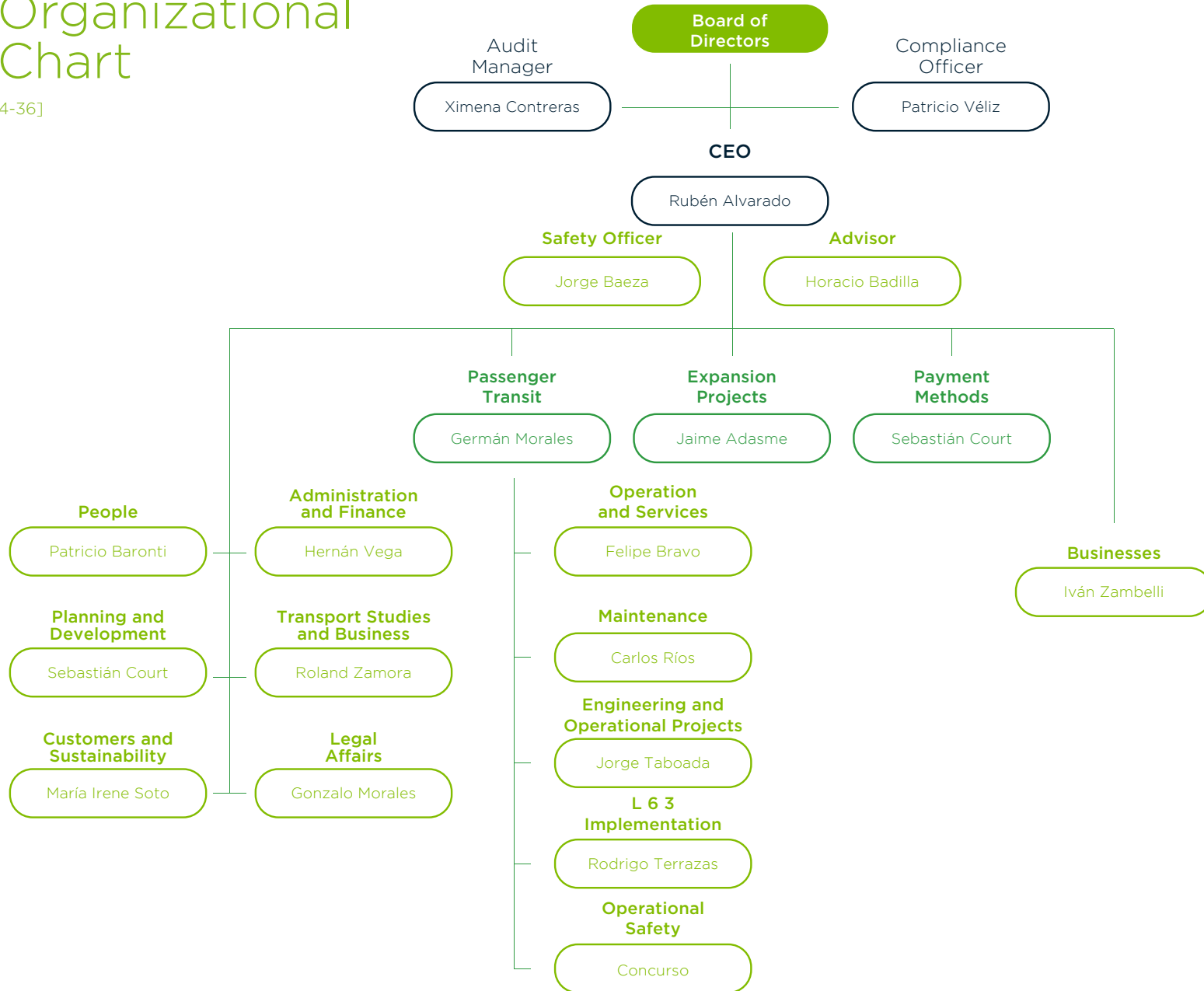
In this context, the SEP has published a collection of 14 guides addressing specific topics that the companies follow in order align themselves with the SEP's general directives. The guides are as follows: Board of Directors and Chairman, Responsibilities of Board Members, Conflicts of Interest, Audit Committee, External Audit, Internal Audit, Integral Risk Management, Fraud Risk, Information Security, Prudent Accounting Criteria, Code of Conduct, Corporate Social Responsibility and Shared Value, People Management, and Transparency.

At Metro we take these directives to heart, and make them our own through our mission, values, principles, and internal regulations and codes. Moreover, we have developed corporate policies for each subject matter. These are implemented by way of specific plans and programs set out under our business strategy.



2.2 Organizational Chart

[G4-35] [G4-36]



Explanatory Note: The Audit Manager took office on February 13, 2017.



2.3 Description and Structure of the Board of Directors

Metro de Santiago’s administration is managed by a Board of Directors comprised of a chairman, vice-chairman and five board members. Its functions, responsibilities and purview are governed by regulations established under Law No. 18,046 and the company’s corporate statute.

[G4-39] In 2016, the Board of Directors also presided over the CEO, the Internal Comptroller and the Head of Crime Prevention Model in keeping with Law 20.393. It is worth noting that Chairman of the Board is a position that does not perform an executive role in the company

2.4 Board of Directors

[G4-40] In 2016, the Board’s structure remained unchanged. For more information, see [Metro de Santiago’s Finacial Report](#).

- Chairman of the Board Rodrigo Azócar Hidalgo
- Vice-Chair Paulina Soriano Fuenzalida
- Board Member Karen Poniachik Pollak
- Board Member Carlos Mladinic Alonso
- Board Member Juan Carlos Muñoz Abogabir
- Board Member Claudio Soto Gamboa
- Board Member Vicente Pardo Díaz

Board Committees

[G4-38] [G4-45] In 2016 board members took part in four different committees, namely:

- Project Management Committee: reviews the status of new expansion and line projects, in addition to reviewing operationally-relevant projects
- Operations Committee: addresses the company’s strategic and managerial aspects pertaining to business development, encompassing areas primarily under the purview of Operations and Services and Maintenance Managements.
- Audit, Finance and Risk Committee: looks out for the company’s financial resources, ensuring they are managed efficiently and in compliance with established procedures. It supervises internal auditing and issues opinions regarding the independent auditing of the company’s financial statements. In addition, this committee is in charge of reviewing the risk matrix and risk management plans.
- Technical Committee: in charge of analyzing complicated technical matters arising in connection with projects under way.

[G4-36] Our Board defines the strategic guidelines and oversees the company’s administration and management. To this end, it delegates economic, social and environmental aspects to the CEO who has the authority to define the responsibilities of each corporate management office and division.

[G4-48] Regarding sustainability management, the Board also validates the company’s most relevant sustainability documents, such as the Sustainability Report and policy. In 2016, the Board appointed Karen Poniachik as point person for sustainability matters and shared value.

[G4-37] [G4-43] [G4-49] All managers report directly to the Board on the company’s most important administration-related matters, such as, among others, investment proposals, expense- and consulting-related issues, risk follow-ups, and issues pertaining to operations, social, environmental, health and safety concerns, customers, suppliers and contractors.

Board Compensation

[G4-51] [G4-52] The board member compensation structure consists of a fixed and a variable component, the latter of which is dependent on attendance of regular and special board meetings. The Regular Shareholders' Meeting determines the upper limit placed on board member compensation. The Chairman of the Board, however, does receive a set monthly compensation.

[See Annual Financial Report for more information.](#)

Diversity on the Board

[G4-DMA] [G4-LA12] Our company's Board of Directors is comprised of both men and women, all Chilean nationals, whose ages range from 40 to 70, each of whom has been a board member for more than three years.

i. Gender Breakdown of Board Members

MEN	WOMEN
5	2

ii. Nationality of Board Members

CHILEANS	FOREIGNERS
7	0

iii. Board Members by Age

<30	[30, 40]	]40, 50]	]50, 60]	]60,70]	>70
0	0	3	1	3	0

iv. Board Members by Seniority

< 3 years	[3, 6]	]6, 9[	[9,12]	> 12 years
7	0	0	0	0

2.5 Description and Breakdown of Administration

Diversity at the Managerial Level

Regarding the ratio of men to women holding senior executive positions, the majority of these are held by men. In terms of managers' nationality, all senior executives are Chilean and aged 40 and older. Regarding seniority, there is a bit more diversity here since although most of Metro's senior executives have held their positions for less than three years, some managers have been with the organization for over 12.

The following is a detailed illustration of the above:

i. By Gender

MEN	WOMEN
14	1

ii. By Nationality

CHILEANS	FOREIGNERS
15	0

iii. By Age Group

<30	[30, 40]	]40, 50]	]50, 60]	]60,70]	>70
0	2	3	5	5	0

iv. By Seniority

< 3 years	[3, 6]	]6, 9[	[9,12]	> 12 years
7	3	1	0	4



2.6 Ethics and Good Practices

[G4-DMA] [SO3] In 2016 we worked on revising and fine-tuning our risk matrix with a view to avoiding and preventing crime and fraud. The latter has provided us with the opportunity to define risk prevention and mitigation measures; and subsequently subject them to a process of review and continuous improvement.

Crime Prevention Model

[G4-58] In accordance with the Law 20.393, Metro have implemented a Crime Prevention Model that provides criminal sanctions for all individuals in cases of asset laundering, terrorism financing, bribery of national and foreign public officials, and receiving and handling stolen goods.

[G4-57] In 2016, we focused on expanding our scope of crime and poor practices prevention efforts. To this end, our Board created the position of Compliance Officer, as a direct report to the Board. The role of Compliance Officer entails the specific tasks defined for the Head of Crime Prevention Model created under Law 20,393, as well as more general responsibilities related to creating a company culture of correct behavior. To this end, Metro has implemented several actions aimed at reinforcing ethical conduct and good practices in Metro's businesses and operation activities.

In keeping with this premise, in 2016 the Board replaced the former Code of Ethics with a Code of Conduct, in order to bring these guidelines closer to and in more direct contact with employees, and thereby better support the process for resolving potential ethical gaps in conduct.





Training on Crime Prevention Model

[G4-SO4] In 2016 we provided training to our employees on the Crime Prevention Model (Criminal Responsibility Act for Individuals) and overall good business practices. Face-to-face training sessions were held with nearly 300 workers, including employees who had traveled on technical missions and business abroad.

Furthermore, we held two e-Learning training courses on fighting corruption; one focused on preventing bribery and the other on detecting asset laundering operations. All of Metro's board members, managers, assistant managers, supervisors, and professionals successfully passed the program, for a total of 700 individuals trained.

Finally, the company opted for adding regulations to its work contracts regarding the prevention of poor practices and compliance with the norms provided by Law 20,393.

Whistleblower Channel

[G4-58] The whistleblower channel is one of the measures that Metro has implemented to ensure compliance with Law 20,393 and the Metro Code of Conduct. This internal channel was created by Metro but is managed by an outside audit firm. It provides our workers with an outlet to confidentially report on violations of internal or external regulations.

Individuals using this channel do so in complete independence and entire anonymity. Complaints may be filed either via the web platform, e-mail or snailmail. We promote this channel primarily through digital media and posters inside the company.





[G4-SO5] Thanks to this channel, in 2016 we learned that some workers were inappropriately using the Wellbeing Fund. Following an investigation conducted by the Comptroller and Compliance areas to review and verify the information, the individuals involved were let go and a report was filed with the National Prosecutor's Office. At year-end 2016 the case was still open.

2.7 Risk Management Model

[G4-DMA] [G4-SO3] E In keeping with its Risk Policy, Metro has a Risk Management System which serves as a support tool for complying with our mission, vision and strategic objectives. In addition to being designed to reduce the impact of operations-related difficulties, it is also in place to prevent risks from occurring.

The purpose of our Risk Management area is to define all activities required for implementing and operating our Comprehensive Risk Management Model in order to add value to our processes, while also complying with the following external requirements provided by the State-owned Companies System (SEP), and the Governmental Internal Audit Council (CAIGG).

Note that risks are an inherent part of our business, in every stage along the way. Accordingly, we have identified risks entailed in each process and subprocess carried out by our various divisions, such as: Operations and Services, Maintenance, People, Expansion Projects, Compliance, etc. Some of the risks identified and assessed refer to operational and financial matters, information security and fraud, among others. Results as of December are as follows:

-  57 processes surveyed
-  182 subprocesses identified
-  880 risks identified
-  73 critical risks identified





3. Urban Setting



3.1 Urban Integration

As a company we understand the important role we play for residents of Santiago. As such, having good communication and coordination with other players in the public transit system is essential.

Moreover, we aim to strengthen our ties and communication with our passengers by keeping them abreast of our operations. This allows us to better address contingencies affecting the operational stability and continuity of our services. In addition to the latter, we try to foster close and seamless ties with authorities involved in our business sector. In 2016, we maintained open, ongoing dialogue with them, resulting in coordinated responses.

Integrated Transit System

We are aware of the importance of Metro in the Santiago transit system. Accordingly, stations serve as public meeting points and transfer points for other means of transportation such as Transantiago, intercity buses, and bicycle paths. Moreover, we are located near rural bus terminals and train stations.

Bus Terminals

Our network includes intermodal stations that provide our users with alternatives to seamlessly and easily continue their trips and connect with other means of transporting such as local, rural and interurban buses.

Currently, Metro manages six bus terminals that enable passengers to transfer to other means of transportation. These terminals are located at the following stations:

- Pajaritos, Line 1
- Lo Ovalle, Line 2
- Vespucio Norte, Line 2
- La Cisterna, Line 2
- Del Sol, Line 5
- Bellavista de La Florida, Line 5

Traveling with Bikes

As part of our ongoing interest in forging closer ties with and being more supportive of our passengers during city events, in 2016 we decided to allow our passengers to board trains with their bikes on a few Sundays throughout the year.

We implemented this special measure with a view to making it easier for Santiago residents to take part in the 2016 World Bike Forum held March 31st through April 5th at several locations throughout Santiago. In our quest to support this initiative, we asked bike riders to board Metro trains only through the first door on the first train. We also reinforced the number of security guards and service assistants on duty in order to facilitate the travel.

Due to our good evaluation of the experience, we repeated this initiative on World Environment Day (June 5th) and Municipal Election day (October 23rd). As a result of this special measure, passengers were able to travel by bike throughout the entire network.





We Are by Your Side during Large Events in Santiago

“Metro is a lead player in the integrated public transit system and we work daily to improve the city. We are part of the lives of Santiago residents which is why we must be present at important moments for our passengers. As a result, in 2016 we have designed a few special measures to expand our presence especially during Lollapalooza, the Santiago Marathon, Heritage Day, Independence Day and the New Year, for example,” explained María Irene Soto, Metro’s Customer and Sustainability Manager.

Throughout the year we were involved in various events held in our capital by providing our services and promoting special editions of the bip! card for said events. For example, we were present at the 2016 Womad Chile music and dance festival held in Recoleta with the participation of over 130 performers from 17 countries and four continents who make thousands of people swing and sway.

Moreover, in 2016 we were the official means of transportation for the Santiago Marathon. We set up a series of operational measures to facilitate travel for all passengers running in the event and cheering on as fans. Some key measures included opening Lines 1 and 5 earlier in the morning, and launching a special commemorative bip! card for the sporting event.

We also provided support for Lollapalooza which took place in O’Higgins Park on March 19th and 20th. For this special event we added trains to the regular service and extended closing time by an hour and a half on Lines 1 and 2. Prior to the event Metro set up a bip! Card charging center so that festivalgoers could charge their cards in advance.

Another noteworthy initiative was our participation during Chilean National Heritage Day festivities. Every year Metro opens its door to the community by providing guided visits to our Corporate Offices and Integrated Control Center (CIC). In 2016 we received nearly 700 visitors on the tour. Furthermore, our staff members conducted guided tours at four stations (Cal y Canto, La Moneda, Universidad de Chile and Quinta Normal) where they showed visitors the various works of art showcased at each station. In association with Bibliometro we launched a literary/heritage video tour of “Downtown Santiago and its surroundings” narrated and written by authors Ramón Díaz Eterovic, Enrique Lihn, Álvaro Bisama, Alfredo Gómez Morel, Rodrigo Lira and other Chilean poets and narrators.



In April we celebrated the National Day of Chilean Cuisine with an event at Baquedano station held within the context of Ñam, Latin-American Food Festival. Hundreds of people came together to take part in this big community party to celebrate our food heritage. The activity was jointly organized by Ñam, the Corporación por las Cocinas de Chile (Pebre), the Municipality of Santiago, the Undersecretariat of Tourism, the Fundación Imagen de Chile, and Metro de Santiago as a way to pay homage to typical Chilean gastronomy. The folk group “La Gallera” performed as musical backdrop for many delicious tastings.

On the eve of Independence Day celebrations, Metro and the Corporación por las Cocinas de Chile (Pebre) jointly organized a culinary event for our passengers at the Universidad de Chile where customers had the opportunity to try different versions of Chilean pebre served with homemade bread and empanadas. Well-known Chilean chefs prepared these delicacies. Moreover, we implemented several new operational measures during these festivities such as extended service hours at the network’s busiest ticket counters. Additionally, Metro operated all of its lines until midnight on Friday, Saturday and Sunday (September 17th, 18th and 19th) in the aim of making holiday travel easier for Santiago residents.

On other occasions we applied special measures to benefit citizens, such as when the Chilean national soccer team played at home, putting more trains on our tracks and more staff at tickets counters, along with additional security measures. We also broadcast the game live over our passenger communication system for those who were unable to make it home in time to watch the game.

We are especially proud of having participated in the Teletón. Alongside Don Francisco we appealed to the public to support the campaign and issued a new Teletón bip! card which was designed by children who took part in the Teletón art workshop. Metro users were quite surprised to hear the voice of Don Francisco over the PA system when he began calling out the stations from one of the train operator’s control cabins. He also invited passengers to join once again the solidarity crusade. Also, for the sixth consecutive year, Banco de Chile set up a network of extra ATMs at Metro stations so that residents could begin donating early on.

3.2 Art and Culture

Through the MetroArte Cultural Trust (Corporación Cultural MetroArte) we endeavor to make a unique contribution to our citizens by turning our stations and network into venues where people can experience various forms of art and culture on a daily basis.

Our cultural strategy is based on four key areas: i) exhibitions; ii) promoting reading; iii) music; and iv) MetroArte (large format works of art displayed at our stations). In 2016 we added a fifth area to our cultural portfolio, called “Culture and Territory” which encompasses activities organized in conjunction with the community such as murals. These take place at our facilities and in areas surrounding Line 3 and 6 construction sites.

In 2016 we sponsored 44 cultural activities linked to our five pillars, 55% of which were related to music and promoting reading, such as the various exhibitions on tour at stations throughout our network, and youth orchestra concerts.

Type of Activity	Amount	Percentage Share
Musical	12	27%
Art Shows	9	20%
Promoting Reading	12	27%
Culture and Territory	7	16%
MetroArte	4	9%
2016 Total	44	100%



Likewise, in 2016 we invested more than \$33 million in maintenance fees for MetroArte works installed at the Estación Central, Los Leones, La Moneda and Bellas Artes stations.

In addition, we continue to be in a partnership with the Presidential Office of Sociocultural Affairs, which has turned into a series of activities held at our stations thanks to the hard work of a handful of institutions grouped under this government office.

The following is a summary of the most important activities held in 2016, which were enjoyed by Santiago residents:

- **Music on the Metro:** we hit a milestone in 2016 with this project, which aims to provide musicians the space they need to play inside our stations. We organized a contest to choose the best 60 performers, who then received a license granting them permission to always play in our network in areas specifically marked off for this purpose.
- **Metro de Santiago Book Launching:** in 2016 we published “El Gran libro de Metro de Santiago,” a compilation of more than 40 years of historic material including major milestones and what the underground train has meant to the daily lives of millions of individuals. Created as part of our 41st anniversary celebrations, this book contains narrations of tales told by ordinary citizens who have given life to our urban infrastructure that has not stopped servicing the public for more than forty years. Additionally, the book contains a series of historic documents such as photographs, maps, pamphlets, posters and other graphic works that make it a veritable collector’s item for aficionados and all readers.
- **Santiago in 100 Words:** 2016 marked the 15th version of this traditional literary contest. This year we decided to innovate by adding a sister contest entitled “My Neighborhood in 100 Words,” for residents of Greater Santiago neighborhoods wishing to write about their community, local identity, or common heritage. This contest was launched jointly with residents living in the Huemul neighborhood.
- **Youth Orchestra Concerts:** held primarily at our Quinta Normal station monthly from May to October 2016, our visitors were delighted with the talents of young musicians from the San Miguel, Huechuraba, Lo Barnechea, Puente Alto and Pudahuel orchestras, the Nosedal School Youth Orchestra, the Ensamble Moderno group (from the Santiago School of Modern Music) and the Metropolitan Student Symphonic Orchestra (children and youth)

- **Exhibits:** for several months the Quinta Normal station served as a venue for a wickerwork exhibit showcasing several pieces contributed by the Chilean Foundation of Artisans (Fundación Artesanías de Chile), Chimbarongo Municipality, and the Universidad de Chile’s School of Design; the traveling Photopress exhibits; and a contest entitled “Letters from Women,” sponsored jointly by the Museum for Women (Museo de la Mujer) and Chilean Gendarmerie.
- **Folk Music and Dance at Metro Stations:** several traditional Chilean folk music and dance shows called esquinzos were performed at our stations in September. Also, thanks to a partnership with the La Florida Municipality and the Association of Folk Groups (Unión Comunal de Grupos Folclóricos) from that district, groups of performers representing traditional dances from throughout Chile performed at several of our stations in the La Florida neighborhood, livening up our passengers’ commutes and passersby.
- **Participatory Mural:** two murals painted collectively by local artists and community member were unveiled at our Universidad Católica and Parque O’Higgins stations, in addition to other murals painted on OSB walls enclosing various Line 3 and 6 construction sites (Plaza Chacabuco, Pedro Aguirre Cerda, Parque Almagro, Cal y Canto and Museo Precolombino).

“Visual Memory of a Nation” mural on Exhibition at the National History Museum

In September we showcased an exhibit at the National History Museum. This was the first ever glimpse of the preparatory panels of Mario Toral’s mural “Visual Memory of a Nation” which is currently on display at the Universidad de Chile station.

During a 40-day period we placed on display over 26 works from the Museum’s permanent collection and the following sketches: “La creación del mundo según el mito mapuche,” “La crucifixión,” “La Batalla,” “Fusilamiento de Portales,” “Suicidio de Balmaceda,” “Vida y Muerte en las Minas de Carbón,” “Masacre del Seguro Obrero,” “La Ley Maldita,” and “Bombardeo de La Moneda.”

Rodrigo Azócar, Chairman of our Board, remarked that *“Metro is honored to display these works. They help us paint a picture of who we are as Chileans while also allowing us to sketch our dreams.”*

This catalogue was funded by Metro’s Foundation for Culture and includes photographs of murals, sketches from the exhibit, and remarks by Lautaro Núñez, (recipient of the 2002 National History Award), Jorge Pinto (recipient of the 2012 National History Award) and Julio Pinto (recipient of the 2016 National History Award).



All in all, more than 900,000 people took part directly in these activities. According to an independent survey conducted periodically, in 2016 Metro's "culture and entertainment" net overall satisfaction rate was 82%, nine percentage points greater than the previous year.

Moreover, BiblioMetro celebrated its 20th anniversary and continues to be the second largest public library in the country, loaning more 350,000 items annually.



3.3 Network Expansion

Line 3 and 6 Construction Progress

In 2016 the company hit many Line 3 and 6 construction milestones. As of December 2016, Line 6 was 90% complete with an estimated startup date during the second half of 2017, while Line 3 was 63% complete by the end of 2016 with an estimated startup date during the second half of 2018.

Other Important Milestones during the period were:

Line 3	Line 6	Others
<ul style="list-style-type: none"> Tunnel excavation completed. 	<ul style="list-style-type: none"> Tunnel excavation complete Work on laying 20kv cables began First trains enter workshops. Line supplied with power First test train ran on line Workshops supplied with power Track concrete work complete Train testing on line began First train ran the entire line. 	<ul style="list-style-type: none"> First trains arrive in Chile

Moreover, these new projects also have a significant indirect, social and environmental impact, for example, development opportunities crop up in areas surrounding the stations; nearby housing and commercial real estate increase in value; and street-level commuting time decreases.



Lines 3 and 6 in Figures

Investment Line 6: USD 1.263 (billion) Line 3: USD 1.786 (billion) P63: USD 3.049 (billion)	Percentage of works completed as of December 31, 2016 Line 6: 90% Line 3: 63% P63: 73%
Beneficiaries More than one million residents	Total Distance in km Line 6: 16 kilometers Line 3: 21 kilometers

How will the new lines operate?

Both projects meet strict quality and technology standards, including several innovative solutions when compared to our existing lines. The following are a few noteworthy examples: automatic platform doors, overhead power cables, automatic operated trains, onboard cameras, air conditioning, passenger information system, and universal access. Additionally, trains are evacuated from the front and run on automatic pilot (UTO). The following is a detailed description of the main attributes of these new projects.

More information at: <http://www.metro.santiago.cl/minisito/linea-3-y-6/>



More technology and services for a better riding experience



Stations and Trains Designed with Accessibility in Mind

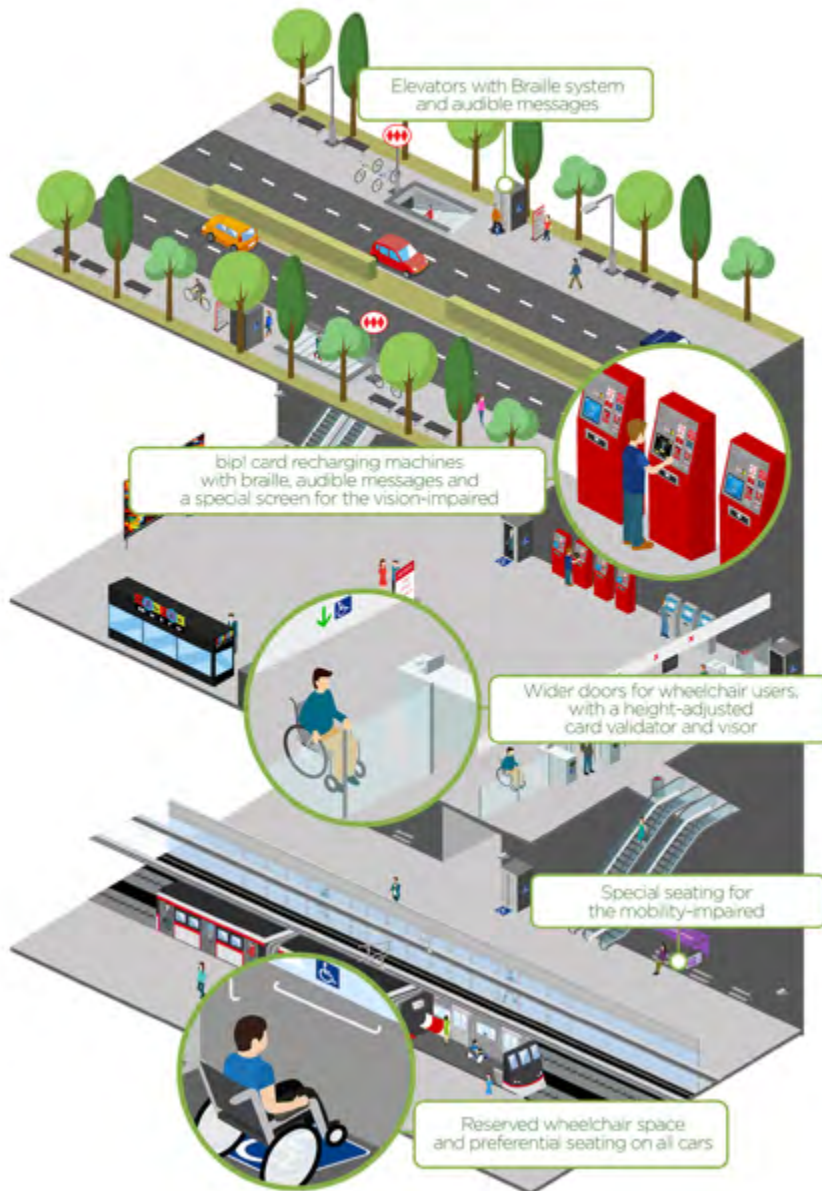
We applied a series of criteria and standards in the design of Lines 3 and 6 in order to provide our users a safer, more comfortable and independent commute.

The following are some of the main features of these new trains and stations:

- There are elevators at every station so that mobility-impaired customers may move around independently.
- Tactile paving so that blind or visually impaired passengers may navigate stations.
- Self-service machines with instructions in braille and a low-vision mode that changes the tactile screen's color and contrast. They also have audio messages that will make the b!p! card purchasing and recharging process easier.
- Wheelchair accessible trains with preferential areas for individuals traveling in wheelchairs and preferential seating for passengers with impaired mobility.
- There is also special ergonomic seating located at the platform level to make it more comfortable for mobility-impaired individuals to get around. This seating is located along platform walls so that users may rest in a semi-seated position, which is more comfortable for older passengers or others who have a hard time getting around. This feature also makes for more optimal use of space along the platforms.



Universal Accessibility



Safer Stations and Trains

One of our main concerns as a company is being able to provide our users safe, reliable services. To this end, we have installed a Closed Circuit Television (CCTV) system along the entire length of these new lines. It is equipped with video surveillance technology to watch over the lines, support operators, and provide a safer place for passengers.

The main features of this system are described below:



Constant monitoring of Line 3 and 6 stations and trains



Greater security at stations and on trains



Provides real-time support to stations



Complete coverage of stations and trains (no blind spots)

The CCTV system will allow us to see and record images captured on cameras located inside trains and at stations. There is complete camera coverage at stations so that we can have greater control over entrances, escalators, elevators, recharging zones, control line, and platform doors.

Regarding trains, there will be 10 cameras installed inside each car, plus two exterior cameras located at each end of the trains, pointing toward the track, amounting to a total of 52 cameras per train.

This system will provide us with the capability to detect problems, contingencies, hazardous situations or other circumstances that affect the safety and security of users and Metro personnel, and/or the operational continuity of our services.

Furthermore, our trains will be equipped with an inter-phone communication system so users will be able to communicate with Metro personnel while en route. This way we can provide instructions and answer questions throughout the entire network under critical circumstances. There will be a Passenger Communications Officer assigned to each line to manage communications in the event there are simultaneous calls coming from one train on the track. The officer will be able to look at the camera and prioritize the calls.

Additionally, there will be external operators who will also answer calls; for example, sales operators are responsible for answering calls made from the self-service kiosks; and the Call Center routes calls received from interphones located at information points.

Forms of Payment at Line 3 and 6 Stations

Payment will be automatic on the new lines, which will make it necessary for riders to use the self-service kiosks to purchase and load their bip! cards using either cash, credit or debit cards.

We have two types of self-service top-up machines, as follows:

- Riders can use our self-service top-up machines (MAS in Spanish) to purchase and charge bip! cards, inquire into card balances, and activate remotely charged cards; or
- Riders can use our compact self-service top-up machines (MASC in Spanish) to inquire into card balances and add exact amounts of money to bip! cards since these kiosks do not give back change.

Main Attributes of Top-Up Machines:



Easy and quick way to purchase and recharge cards



We made sure we developed a user-friendly and universally-accessible system with low-vision mode, Braille writing, and installed at an appropriate height for individuals with impaired mobility.



Top-Up Machines are equipped with a help button for remote assistance.

Passenger Information Technology

Metro's new lines will be equipped with several screens located at stations, and on platforms and trains in order to provide riders with relevant and timely information. There are different types of screens with different purposes, as explained below:

Interactive Screens	Touch screens with menu options to provide users with information on the station where they are located, its surrounding area, service hours, and general service information. Located in the no-pay zone (public area) close to the InfoMetro panels.
Screens located along the line of control	Broadcast predetermined, automatically programmed content that can be interrupted in the event Metro needs to convey urgent information. These will be located at the entrance area so that users will be able to see the information prior to entering the paid zone.
Screens located in transfer area	Located at transfer stations, specifically where connections are made.
Platform Screens	Provide real-time service information to riders while waiting for trains. We plan on installing four of these screens on each platform, except for terminal station platforms where these screens will be located only on exit platforms. Content broadcast over these screens will be related to: the weather; destination of the next two trains scheduled to arrive on that track; vacancy level of arriving train; direction the trains are headed in; next station, transfer point and terminal station.
LED Screens	LED screens are installed on platform doors with passenger information. They are located above each door and will display warning messages when train doors are faulty or not working.
On-Board Screens	We plan on placing screens at both ends of every car to provide passengers with information regarding train traveling time and emergencies.



Moreover, we have a public address system with pre-recorded and real-time messages which can be heard at all station levels and on all trains. This will allow Metro to keep passengers informed of service updates at all times while also providing riders with timely information in the event of emergencies.

Expansion of Lines 2 & 3

In 2015 Metro announced its plans to extend Line 2 up to San Bernardo and Line 3 to Quilicura. Both projects will enable us to extend our network to three new counties (Quilicura, El Bosque and San Bernardo), thereby benefiting some 600,000 residents who will be able to cut back their commutes by 80%.

The Line 2 extension project consists of 5.1 kilometers and four stations running from the La Cisterna station all the way to El Pino Hospital, located on the outskirts of San Bernardo and El Bosque; and the Line 3 extension project consists of 3.8 kilometers of track and three new stations. Once operational, the extended line will allow riders to travel from Universidad de Chile to Quilicura station in roughly 19 minutes. In 2016 we began working on the engineering of both projects.







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

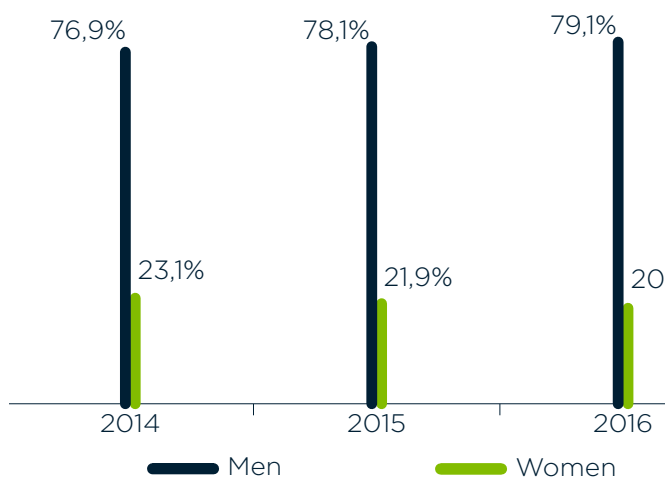
[G4-10] As of December 31st 2016, Metro had a total staff of 4,007, 4.6% more than the previous period. Moreover, 97% of Metro collaborators work full days and 96% of them have a permanent work contract. (See [Appendix for more information](#))

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.

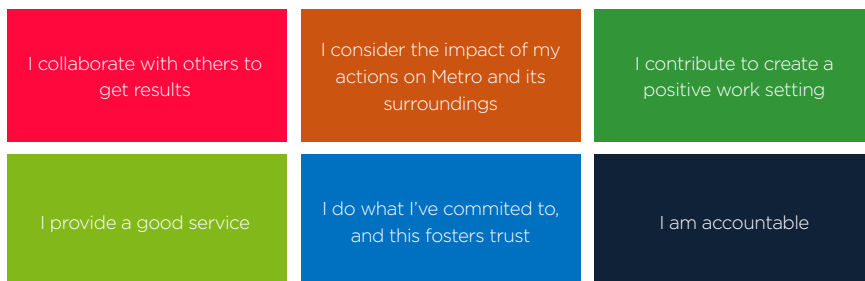
These new Crosscutting Skills fall within the framework of our new strategic planning so that people management processes are aligned with our company's

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.

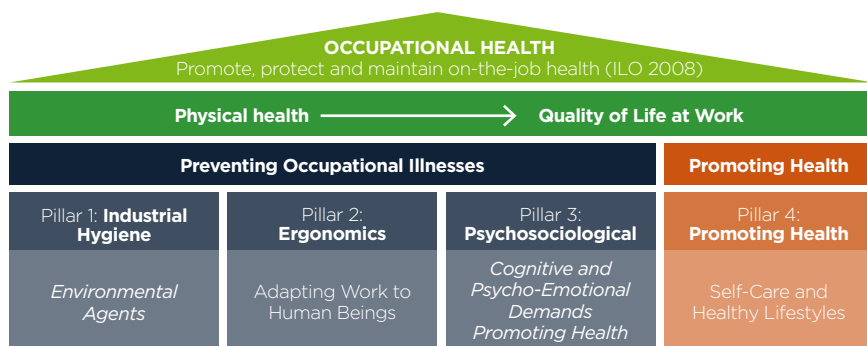
Occupational Health

[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.





5. Supplier and Contractor Relations

5.1 Our Suppliers and Contractors

[G4-DMA] Work performed by our suppliers and contractors is essential to our business development; accordingly, we have developed relationships based on trust and responsibility with our suppliers and contractors since these companies carry out a considerable amount of our maintenance and operational activities as well as those related to developing our megaprojects.

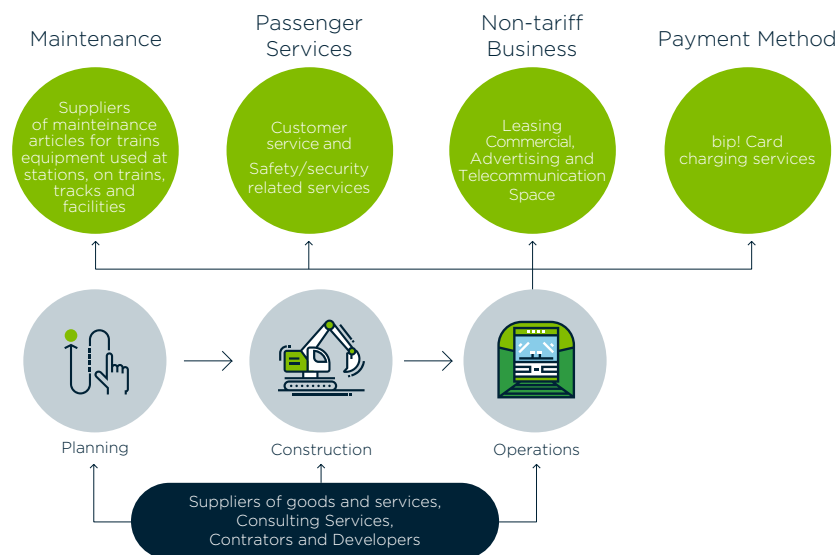
The fact that we have a Labor Relations division in charge of managing contractor relations speaks to the importance and concern we attribute to these stakeholders. In order to ensure greater transparency, efficiency and competitiveness of bidding processes, Metro also has a Procurement Policy, and a Corporate Acquisitions Manual.



Likewise, at Metro we are concerned with securing long-term relations with our suppliers and contractors. To this end we make an effort to contribute to the economic sustainability of the small- and medium-sized enterprises with which we do business, and, as such, we have been awarded the Pro SME seal (Sello ProPyme) certifying that the company pays the invoices of smaller suppliers within 30 days or less.

Supply Chain

[G4-12] Our supply chain consists of a plethora of activities involving crosscutting aspects ranging from planning and building new lines to operating and managing non-tariff business services..





Our Contractors

- In 2016 we worked with a total of 12,073 contractor workers under 133 contracts in effect for new line operations and construction. We have a total of 71 operations-related contracts with 53 companies, who subcontract 5,907 workers.
- Regarding Line 3 and 6 construction projects, we awarded 62 contracts for a total of 6,166 contractor workers.

Our Suppliers

[G4-12] At Metro we work with suppliers in two areas: goods acquisitions and services acquisitions. In 2016, we registered a total of 1,254 suppliers broken down as follows:

- Goods: 823 suppliers
- Works: 22 suppliers
- Services: 409 suppliers

Our procurement practices are based on our Procurement Policy and Procurement Manual. The latter governs our departments' procurement procedures.

Moreover, we are constantly looking to add new suppliers to our roster in order to encourage competitiveness and excellence. The procurement process is led and overseen by the Procurement Division.

In 2016 we launched a program aimed at improving our acquisitions and logistics practices, including the identification of key suppliers and an operational review.



Supplier and Contractor Satisfaction Survey

As a company we are constantly concerned with improving internal processes that have an impact on our supplier and contractor relations. To this end we've launched a survey to determine the degree of supplier and contractor satisfaction with bidding processes.

The purpose of the survey was to determine how satisfied these companies are with the bidding process in which they have been involved.

The purpose of the survey was:

- to estimate overall net satisfaction of suppliers.
- to determine which factors identified in the survey have the greatest impact on global satisfaction.
- to analyze suppliers' remarks on subjects surveyed.
- to identify improvement opportunities and rank them according to importance.

The methodology employed is quantitative and consists collecting data via an on-line survey aimed at service providers and contractors working with us in 2015. The sample consisted of 300 suppliers out of a total of 1,400.

Results obtained from the study allowed us to determine that 85% of suppliers surveyed were satisfied with Metro's bidding process, while a mere 5.3% claimed to be dissatisfied with the process.

Generally speaking, we observed that the following areas represented the greatest opportunities for improvement: information about process completion, transparency of Metro Bidding procedures, and fines provided under bidding terms.

Finally, upon analyzing all aspects surveyed under this process, we concluded that overall satisfaction was 55.4%, and our suppliers and contractors gave us an overall grade of 5.1 on a scale of 1 to 7 for our bidding procedures.

We have used these results to draw up an action plan aimed at incorporating supplier and contractor recommendations into our procedures so as to improve the way we manage this matter.

Spending on Suppliers

[G4-DMA] [G4-EC9] In 2016 we spent a total of MM\$ 821.377 on suppliers, which is 4% more than the previous year. Likewise, spending on international suppliers increased 8.7% from 2015 to 2016. Only 4% of our total pool of suppliers is international while 96% of our suppliers are domestic. The following is a breakdown of our 2016 spending on suppliers:

Spending on Suppliers	2014 (MM\$)	2015 (MM\$)	2016 (MM\$)	% Increase
Domestic	491.047	712.542	670.830	82%
International	83.675	80.614	150.547	18%
Total	574.722	793.156	821.377	100%

5.2 External Labor Relations

At Metro we view our contractual and commercial relations with contractors as essential to our business. They enable us to provide passengers with better operating services and have made it possible for the company to build its expansion projects.

In this regard, the company understands that contractors are independent agents that have a direct relationship with their workers; however, we believe it is essential for our business that contractors fully engage with labor law, which is why we have control measures, such as labor audits.

Contractor Labor Audits

[G4-DMA] [G4-LA14] In 2016 Metro conducted a review to determine the degree of labor and social security law compliance of all Metro contractor contracts.

[G4-LA15] Labor practices of 81% of all contractors providing operational services to Metro were audited in 2016 by way of monthly audits—one company per month—on contractors and subcontractors working under our Expansion Projects division.

The following are the most common observations: long workdays; company exceeds maximum number of extra hours permitted; double shifts; job hygiene and safety issues. In addition to these audits, Metro conducted field inspections to verify working conditions on site.

Issues identified are subsequently addressed at meetings with each company in order to correct them as soon as possible. It is worth noting that not a single contract was terminated in 2016 as a result of non-compliance of labor law. If necessary, Metro has the authority to hold payments when companies do not comply with labor and/or social security legislation.



5.3 Health and Safety

[G4-LA6] throughout 2016 we continued to put our Occupational Health and Safety Management System into practice, which applies to all operations carried out by Metro. Therefore, it is also applicable to all tasks performed by suppliers and contractors in their roles in Metro operations, maintenance, and construction.

We were therefore able to move forward with our contractors in managing risk control programs, with particular emphasis, in 2016, on contractors in charge of the construction of new Lines 6 and 3. We also designed a model to monitor contractor compliance with safety standards. Moreover, we have made an additional effort to solidify a prevention and occupational health culture.

Occupational Health and Safety Statistics for Contractors

The joint efforts carried out by the company and contractors throughout the year have made it possible for Metro to significantly reduce its contractor accident rate.

As a result, in 2016 Metro recorded 46% fewer accidents than the previous year. The same trend can be seen in days lost, (down 23%), frequency index (down 40%), severity index (down 15%), and the accident rate (down 40%). The following are the 2016 results:

Contractor Accident Statistics

	2014	2015	2016
Accidents	223	374	202
Days Lost	5.732	8.961	6894
Fatal Accidents	0	0	0
Frequency Index (FI)	18.72	20.75	12.5
Severity Index (SI)	481.18	497.28	427.4
Accident Rate (AR)	4.19	4.74	2.8

Special Regulations: rolling out an occupational health and safety system for contractors

This Special Regulation governs Metro contractors and subcontractors. It defines the minimal actions required to meet preventive actions; and stipulates responsibilities, obligations, prohibitions, control mechanisms, and sanctions that are binding for contractors and subcontractors that execute works or provide services under contract on their own and at their own risk, with workers under their employment, at any of our work centers, offices, worksites or project sites. The purpose of said regulation is to ensure all workers hired by contractors and subcontractors have proper health and safety conditions on the job.

The objective of this Special Regulation is to facilitate the roll out, application, maintenance and continuous improvement of the Occupational Health and Safety Management System by all divisions, at all worksites, for all services and construction projects, encompassing all activities carried out by our workers, contractor and subcontractor workers, and all other individuals compensated by fees, student interns, and visitors.

Contractors and Supply Chain Risks

Within the framework of Metro's Occupational Health and Safety Policy we have implemented a Critical Activity Control Standard (CAC in Spanish), which consists of a series of rules based on a historical analysis of the incident statistics of Metro line construction, and expansion works. The purpose of the standard is to better control and standardize various processes and tasks in order to minimize high-impact incidents.

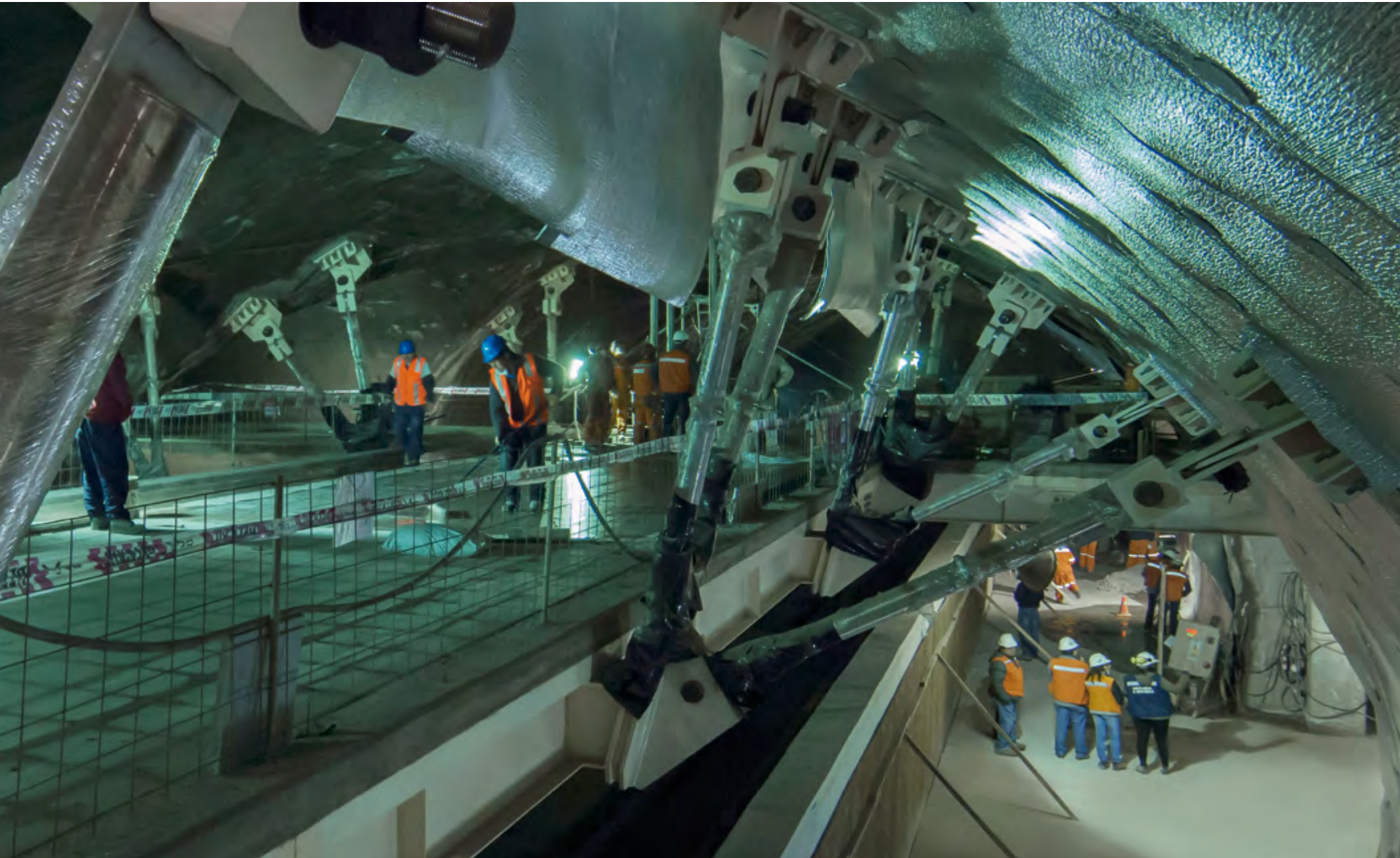
Likewise, we have also drafted the following guidelines for our activities in this area as part of our job safety management efforts:

1. Timely identify and assess work-related risks by implementing preventive and corrective measures required to ensure the physical integrity and health of Metro workers and contractor workers, and thereby contribute to Metro's operational excellence.
2. Contribute to the efficient development of Metro projects by fostering safe and healthy environments for project execution.
3. Promote participatory and construction communication with workers and contractors, thus encouraging the value of safety and health in everything they do.
4. Ensure permanent compliance of domestic legislation governing occupational health and safety.

With this framework in mind we realized the importance of eliminating or mitigating the risk of incidents resulting from critical activities related to line construction and expansion works. As a result, we drew up the following standards:

1. Transport Vehicles	2. Moving Equipment and Machinery at the Worksite	3. Chemical Products and Hazardous Substances
4. Equipment Protection	5. Block and tag	6. Working at Heights
7. Lifting and Loading Operations		









6. Community Relations

6.1 Our Communities

[G4-DMA] At Metro we make an effort to forge close ties with our surrounding communities by listening to our neighbors and community members, and relying on trust as a foundation for building a better city. To this end, we have designed a work model aim to include and involve other actors implicated in areas surrounding our operations.

[G4-SO1] In 2016, we conducted 100% of our operations and construction projects in collaboration with local communities. A total of 575 activities were held, 81 of which took place at our operational sights (Lines 1, 2, 4, 4A and 5.) Moreover, we carried out 494 activities with communities located near our construction projects.

6.2 Community Relations Strategy

Long-term community relations are a key aspect of our sustainable management, which is why we strive to make a connection with the city and its residents above and beyond their role as our customers. The latter constitutes an ongoing challenge moving forward.

The main objective of our Community Relations Strategy is for us to be viewed as a responsible player in our surroundings, while also boosting the social legitimacy of our projects and operations by fostering ongoing community dialogue and cooperation so that we meet our objectives and local needs as harmoniously as possible, thereby contributing to our company's sustainability.

This connection comes to life by way of our passenger and community relations management model, involving initiatives and projects that bring about dialogue with local actors and further their involvement, so that we are able to detect and minimize the potentially negative impacts of our operations while also creating opportunities to promote contributions to the territory we share.

In 2016, as part of updates our Sustainability Policy we added a new area of work, i.e., city living. As a result, we have become actively involved in the urban context by furthering our work in various territories in order to involve communities and enhance their quality of life.



6.3 Community Management

Community Management and Operations

Our work at Metro is based on a community management model applied at the operational line level. This allows us to involve neighbours in various ways, for example, at local town meetings, or community events and activities held at our stations.

In 2016 we focused our management activities on fostering direct and concrete involvement of our communities located near our stations and network. Not only did this provide us with the opportunities to hear them out and learn about their needs, but we were also able to keep the lines of communication open and invite the public to take part in facility tours. Furthermore, we set up several partnership with local actors in order to hold various activities at stations throughout our network. The latter led to a handful of projects based on shared value and mutual benefits, such as community murals, urban interventions, cultural shows and exhibits, healthcare fairs, folk music and dance shows, along with many other events.

Worth highlighting were the many tours we led at our operational sites and corporate offices. In 2016, 699 adults, young people and children took part in these tours. A total of 81 activities took place along Metro lines, which is 38% more than in 2015. These activities were primarily aimed at boosting ties with local surroundings, followed by community gatherings, and meetings with local government authorities.

Activities (Operations)	2016 Activities	
	Number	% of Operations Involved
Meeting with local government authorities	17	21%
Community gatherings	17	21%
Activities related to ties with local surroundings	31	38%
Complaint Management	14	17%
Meetings with other stakeholders	2	2%
Total	81	100%

Community Murals

With a view to integrating the community and fostering an appreciation for art and culture in areas surrounding our facilities and projects, we launched an initiative to paint several murals at our stations and on walls enclosing our construction sites. In 2016, we unveiled four murals painted on walls fencing in our future stations and two mosaics installed at operating stations.





Health Care Fairs

In 2016 we held several free health-related activities open to the community, such as healthcare fairs at more than ten stations in the San Ramón and San Miguel counties where we provided preventive healthcare exams to our passengers and neighbors in conjunction with local family and community health centers. We also forged an alliance with the Metropolitan Blood Bank in order to hold several blood donation campaigns in 2017 while also educating our users at San Ramon stations on World AIDS Day.

Urban Interventions

During this period we were involved in three urban interventions throughout our network. In December, the Mustakis Foundation put on an event at our stations in the Recoleta District at Christmastime, bringing the magic of storytelling to Metro's steps and gifting our passengers with "Stories of Light." On Line 5 stations located in Maipú we held several urban interventions with students enrolled in Disability Workshops put on by the Municipal Office for Disabilities. Finally, we held performances by the musical ensemble "Caporales Reales Brillantes" which delighted our passengers in Line 5 with their traditional music and dances from northern Chile.



Community Management and Expansion Projects

The year 2016 was a period in which we enjoyed the fruits of our labor, making progress on previous efforts undertaken with local communities regarding Line 6 and 3 construction works. These construction projects were challenging because we needed to find a way to involve our stakeholders in order to consolidate our role as a key player in those territories and focus our efforts on these areas to foster better communication with stakeholders present there.

Projects Carried Out

- **Community Murals:** this year we decided to find a new way to connect with our neighbors by beautifying areas surrounding our future stations. This involved painting community murals on the enclosures set up around the perimeter of our construction sites. The areas were filled with historical content, local pride and color. Neighbors themselves painted these artworks, and splattered color and identity all over the future Plaza de Chacabuco, Pedro Aguirre Cerda, Cal y Canto and Plaza de Armas stations.
- **Construction Site Tours:** a total of 68 tours were given at construction sites within the context of Project 63. Various stakeholders took part in these tours, which were personalized according to the group's features: educational tours for professional and university establishments; tours for authorities; tours for community members (living close by or next to our construction sites); union organizations; ; diplomats; Metro workers and their families, etc. A total of 1,093 visitors toured our construction sites as part of Project 63. We are very proud of this figure, which is more than 50% greater than the number of visitors in 2015.
- **Coordination and Work Committees:** We made the most of our committee meetings to address important community issues. We listened our neighbours and came up with solutions to their concerns in 67 of these activities that took place in 2016. They were successful in that we reached mutually beneficial agreements. The table below illustrates how we focused our efforts primarily on resolving construction project-related complaints (44% of all activities) while the remaining 56% of activities were aimed at creating better ties with our stakeholders in each territory. The other types of activities held included meetings with local community members and others, technical and work meetings, and tours of construction sites.

Projects Undertaken in 2016

Activities (Projects)	2016 Activities	
	Number of Activities Held	
	No.	%
Meetings with Stakeholders	53	11%
Technical and Work Meetings with Local Governments	67	14%
Community Gatherings	91	18%
Construction site/facility tours	68	14%
Complaints Management	215	44%
Total	494	100%

Pepe González Campaign

In 2016 we launched a campaign entitled, “Pepe González, anyone can be a good neighbor” at all P63 stations, with the objective of encouraging good social and environmental practices among our workers and contractor company workers involved in Project 63.

Our Community Relations Area spearheaded this campaign. Its roll out was the result of a field study we conducted which included an assessment on complaints lodged by neighbors. We used this information to identify the main community relation risks and areas requiring improvement. A few examples include, being nicer to neighbors, cutting down on noise, better control of contractor vehicles in front of community residences, and keeping the worksite clean.

The importance of this initiative lies in its ability to aid us in improving our community relations. As a company we must be an example of good practices at our worksites, which presents us with the challenge of being the best role model of good practices in our surroundings, and fostering a culture of good manners, respect and harmony with communities living near our projects.

We made progress during this period by giving presentations to our own workers and contractor workers, and training them:

- Metro Workers: 40
- Contractor Workers: 4,209

Community Complaints Management

[G4-DMA] [G4-EN34] [G4-SO2] As a company we conduct quarterly follow-ups on the social and environmental risks of our construction projects and operations. Our Customer and Sustainability Division delegates this activity to a team of employees dedicated to managing relations with stakeholders present in our areas of operation, and other areas where we have work committees and other dialogue outlets aimed at finding solutions to our stakeholders’ needs, demands and expectations.

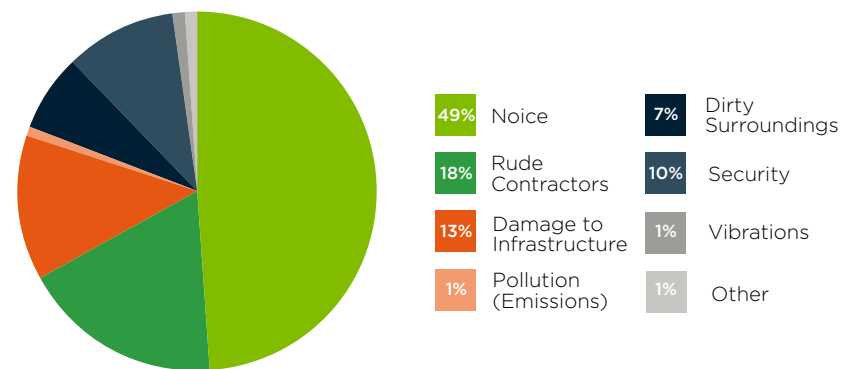
As far as the social and environmental impact of our operations and new construction projects are concerned, a total of 229 complaints were reported in 2016, which is 19% less than the previous year.



Moreover, most of these complaints (215 cases) were lodged in association with construction projects, accounting for 94% of all complaints, while the remaining 6% of complaints are operations-related.

Furthermore, after studying the reasons why individuals filed complaints, we saw that most complaints were related to noise, accounting for 49% of all complaints, followed by rude contractor workers at 18%. Both reasons account for more than two thirds of all complaints received during the construction phase. It is worth noting that Line 3 construction project received the highest numbers of complaints in 2016 (66%) while only 34% of all complaints filed in 2016 were related to Line 6.

Reasons for Complaints





6.4 Advertising and Promoting Social Initiatives

Metro also contributes to local communities and Santiago residents by providing advertising support for various charity initiatives and organizations. We provide advertising space and support structures, which enable these organizations to spread news about their causes and activities. We use two mechanisms to do so: MetroInforma and Corporate Social Responsibility (CSR) campaigns.

MetroInforma

<http://www.metro.cl/ciudad/metroinforma>

This system consists of free advertising for organizations looking to publicize events and activities that are open to the public. MetroInforma was founded as a means to provide an entirely cost- and restriction-free advertising venue. In order to be eligible to apply for free monthly advertising, activities must be non-profit and may not contain the use of any commercial brand or any type of sponsor.

We have a total of 108 MetroInforma structures installed along our network platforms. These structures consist of information panels displaying various types of posters. They are changed monthly in order to provide an opportunity to advertise as many organizations as possible.

Throughout 2016 a total of 384 posters or activities were promoted on behalf of various organizations. Most of the activities or events advertised corresponds to self-help workshops, cultural activities, shows, university contests or projects, free concerts, fundraising campaigns, information on health-related days (Breast Cancer Day, Kidney Day, Heart Day, etc.), and free adult education establishments.

Corporate Social Responsibility

We have engaged in other significant citizen support initiatives such as partnerships with NGOs, social organizations, and foundations, for whom we provide free advertising space (on panels, inside trains or on our SubTV advertising network) in support of various campaigns, social or charity projects aligned with our sustainability pillars.

Our **Sponsorship Committee**, made up of managers from the Customer and Sustainability Management division, is tasked with selecting eligible organizations. The committee meets on a monthly basis in order to analyze applications, assign advertising space, and determine the length of time that ads will remain on show.

In 2016 we yielded 417 advertising panels, nine trains, and two SubTV programs, amounting to a total contribution valued at \$826,600,000 approximately. This year we also hit a record high (32) in terms of the number of charity organizations we helped at—a 52% increase over last year.

In addition, these organizations were surveyed as to their opinion of this mechanism, and the results were very positive. For example, all participating institutions believe that Metro has had a positive or very positive impact on their campaigns. They also gave the advertising support provided an average grade of 6.8 (out of 7.0) and the quality of Metro's administrative work an average grade of 6.6 (also out of 7).

Metro allocates 15% of its advertising space to non-profit organizations.



...LINCIA... Y
...EMERGENCIAS
...MANTÉN LA CALMA

QUE HACER EN CASO DE EMERGENCIA
WHAT TO DO IN CASE OF EMERGENCY

- 0 Mantén la calma y sigue las instrucciones del personal de emergencia.
- 0 Si tienes alguna discapacidad, avisa al personal de emergencia.
- 0 Evita el uso de teléfonos móviles.
- 0 Si necesitas salir del vagón, espera a que te indiquen la salida.


EMERGENCIAS

POYE PUERTA
BEAN ON



CUIDADO CON EL CIERRE DE PUERTAS
MIND THE CLOSING DOORS

CUIDADO CON LA SEPARACIÓN ENTRE EL TREN Y EL ANDÉN
BEWARE WHEN THE TRAIN LEAVES THE PLATFORM





7. Passenger Relations

[G4-DMA] Every day we provide a means of transportation to 2.3 million people in the City of Santiago. In fact, this figure increases to 2.4 million passengers in certain months when demand is highest. Each ride involves a great deal of responsibility that Metro fully accepts. Behind our operations are teams of individuals working hard every day to raise our standards in terms of quality and services with a view to deliver our passengers a satisfactory riding experience.

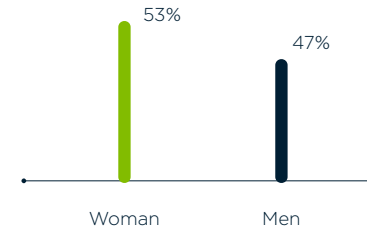
7.1 Our Passengers

When we analyze the profile of our senior riders, we can see that in 2016 most of these passengers were female (53% of riders, up 5% from 2015). We have also observed that the 25-34 and 35-44 age groups are the two rider groups that use our services the most, accounting for 34% and 33% of total ridership, respectively.

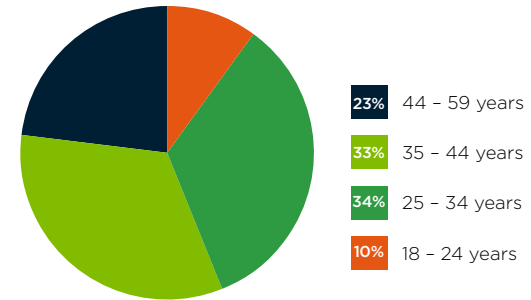
In terms of socioeconomic groups, group C3 uses the Metro network the most, accounting for 33% of total ridership, followed by segment D - E, at 29%.



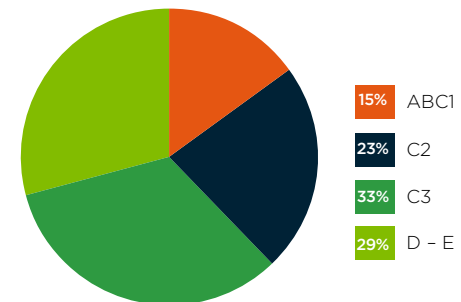
Metro Riders broken down by Gender



Metro Riders broken down by Age Group



Metro Riders broken down by Socio-Economic Group



7.2 Operational Balance

The following consists of a few figures to summarize our 2016 administration.

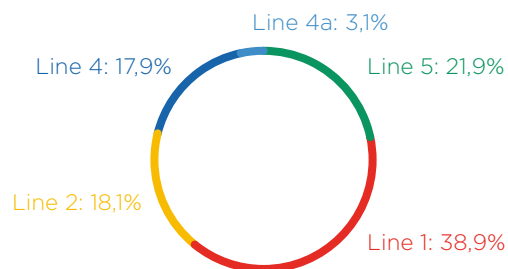
Ridership

Distribution of Ridership Broken down by Time of Day

Total	670 million passengers in 2016	100%
rides during peak hours	205.523.971	30,7%
rides during off-peak hours	464.549.156	69,3%

Distribution of Ridership Broken down by Type of Ride

full fare	69,6%
discounted fare	30,4%

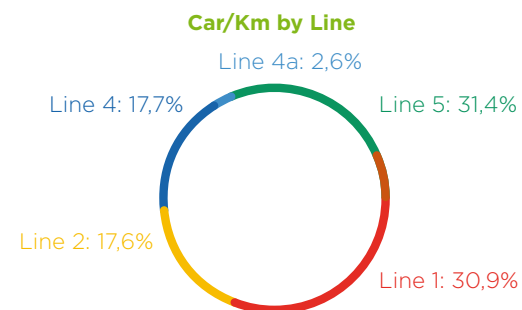


Kilometers Covered by Cars

The total number of car/kilometers (Car/km) covered in 2016 dropped slightly in keeping with real demand during off-peak hours.

2016 Total Car/Km

2016	34.866 Car/km
2015	137.777 Car/km



Incidents Lasting More than Five Minutes

We assess all failures affecting the operational continuity of our services in accordance with two criteria, e.g.: incidents caused by internal or external factors. The following is a summary of the 2016 incident report.

Incidents Caused by External Factors

In 2016 we recorded a total of 126 incidents caused by external factors. The main causes were related to users on the tracks and passengers' health problems.

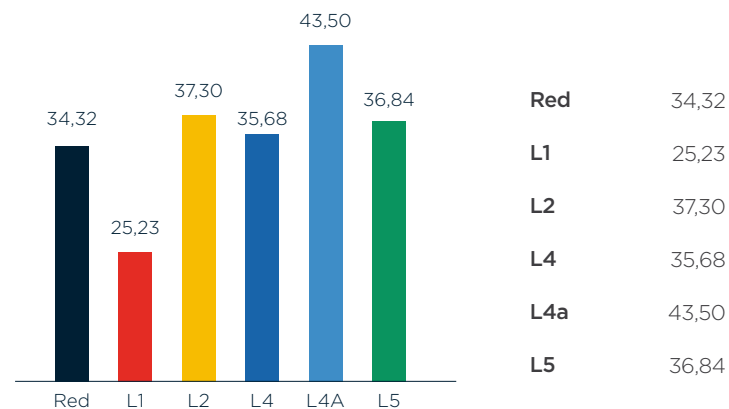
Incidents Caused by Internal Factors

In 2016 we had a total of 160 incidents caused by internal factors—10% fewer incidents than 2015. The main causes were blocked trains (18.1%) and problems with door systems (17.5%).

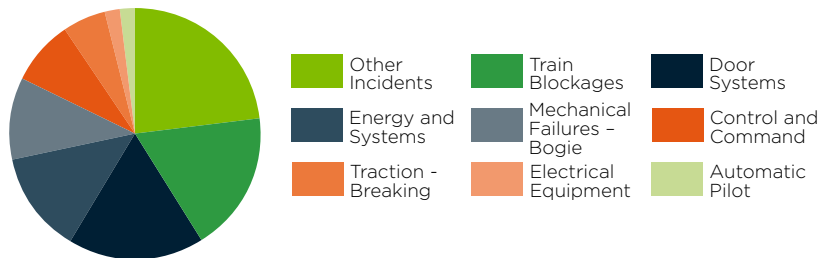
The total annual number of hours of interrupted services caused by internal factors was 32 hours and 48 minutes. It is worth noting that in 2016 there were 79% fewer interruptions caused by electrical equipment failures.

Type of Incident	Number	Time	2016 vs. 2015 Time Difference
Trains Blockages	29	4:04:30	33%
Door Systems	28	3:30:22	-29%
Energy and Systems	21	7:53:28	28%
Mechanical Failures - Bogie	17	2:07:44	13%
Control and Command	13	2:04:37	-11%
Traction - Breaking	9	4:29:40	47%
Electrical Equipment	3	0:33:26	-79%
Automatic Pilot	3	0:19:00	10%
Other Incidents	37	7:45:15	-36%
Total	160	32:48:02	-10%

in its average commercial speed due to the rolling out of the CBTC system, which in turn allowed the rest of the network to run smoothly.



Types of Internal Incidents (%)



Commercial Speed

The average commercial speed during network peak hours barely changed when compared to 2015. In fact, in the second half of 2016 Line 1 underwent an 8% increase

7.3 Operational Improvements to Our Service

Our ability to provide our customers with better quality services is dependent on ongoing investments in more reliable, convenience and comfortable rides. As a result, we launched several measures in 2016 aimed at boosting our transport supply in order to give our users a better riding experience.

Debut of CBTC

In July 2016 Metro rolled out a key project in creating a better riding experience. The Communications Based Train Control (CBTC) system provides Metro with a means to control operations more efficiently. We are the second Metro in all of South America to implement this technology (second only to Sao Paulo, Brazil), which produce significant advantages such as shorter time intervals between trains, resulting in a higher train frequency.

As a result of this new technology, we have boosted our transport capacity by 12% on the network's most highly travelled section and time slot, which is equal to approximately five million passengers per peak hour.

Air Conditioning on Trains

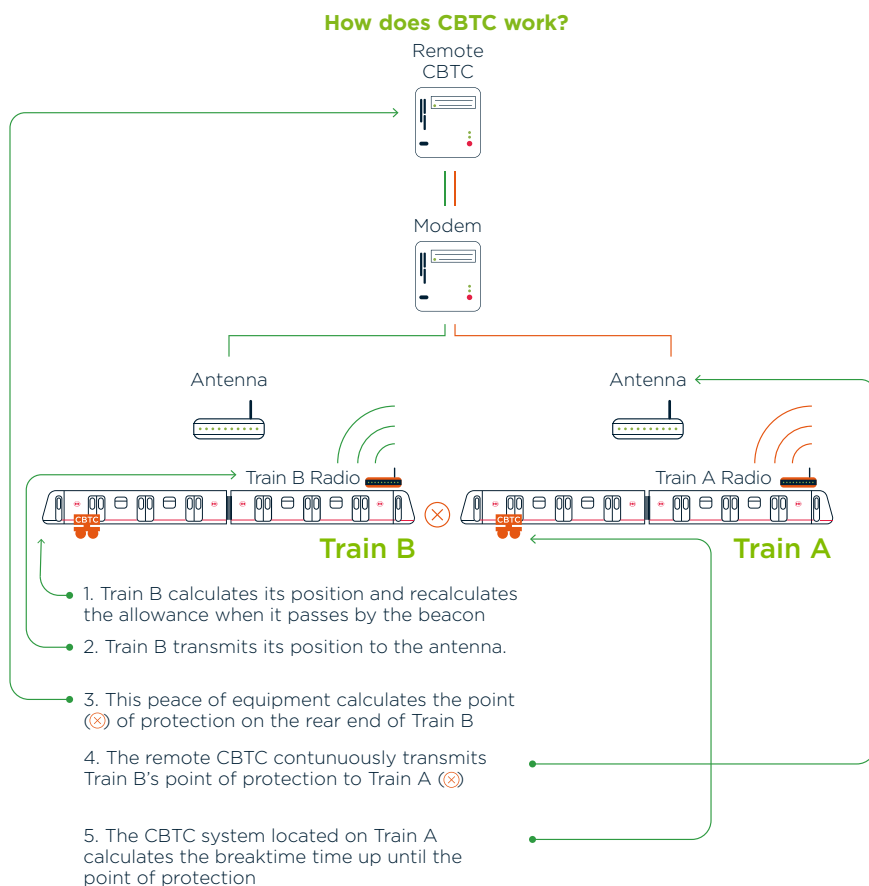
In 2013 we set a target of installing air conditioning on all Line 1 trains in order to provide users with a better riding experience. In 2014 we began operating our first refurbished train, and then, three years later -in March 2016-, we completed the process by installing AC on the 15 NS93Alstom trains. We repeated this process in September when we installed AC on the entire CAF NS07 fleet (a total of 34 trains), resulting in a total of 49 AC-equipped trains on Line 1.

Integrating NS16 Trains

In 2011 we announced a project aimed at modernizing our NS-74 trains as part of an investment plan aimed at improving the quality of our services. The goal of the initiative was to prolong the service life of the cars by 20 years and make some design improvements on the trains. However, while carrying out the pilot project the company decided that it was not feasible to continue moving forward with the original project concept because of safety, schedule and cost related issues.

As a result, we have been working on a different solution that will create value for the investment already made by Metro. The Company has reached an agreement with the contractor Alstom to assemble in Chile, for the first time ever, 245 rubber tire cars for Lines 2 and 5.

Assembly will begin in mid-2017 on the 35, seven-car trains that will replace the oldest trains in the network. These trains will run on Lines 2 and 5 and will have air conditioning, aisles for passenger circulation, and a series of improvements that will enhance the riding experience of our users. One of the new features of this operation is that this is the first time trains will be assembled in Chile. For this purpose Metro built a Train Integration and Assembly Workshop, equipped with cutting-edge technology, at its Neptuno Workshop



7.4 Communication with Passengers

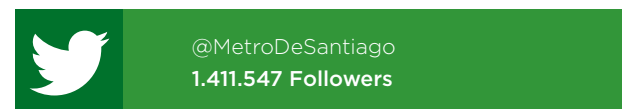
[G4-DMA] [G4-PR4] This year we expanded our direct passenger communication strategy by focusing particularly on social media which has enabled us to improve both the quantity and quality of information we are able to convey to our passengers before and while commuting.

Metro service information is one of the aspects our passengers have said they value the most and that is pertinent to their entire riding experience. In fact, this information is corroborated by the customer satisfaction survey we conducted in which “available information” was cited as one of the best evaluated dimensions of service, with a 84% of satisfaction, followed by “customer education” (86%), “easy to get around” (84%) and “cleanliness” (88%).

That is why we have rolled out a multi-channel communications strategy that addresses the most important moments of our customers’ rides. The goal is to provide useful, clear and timely information.

Accordingly, we have set up several different passenger communication channels in order to cover all communication requirements, such as:

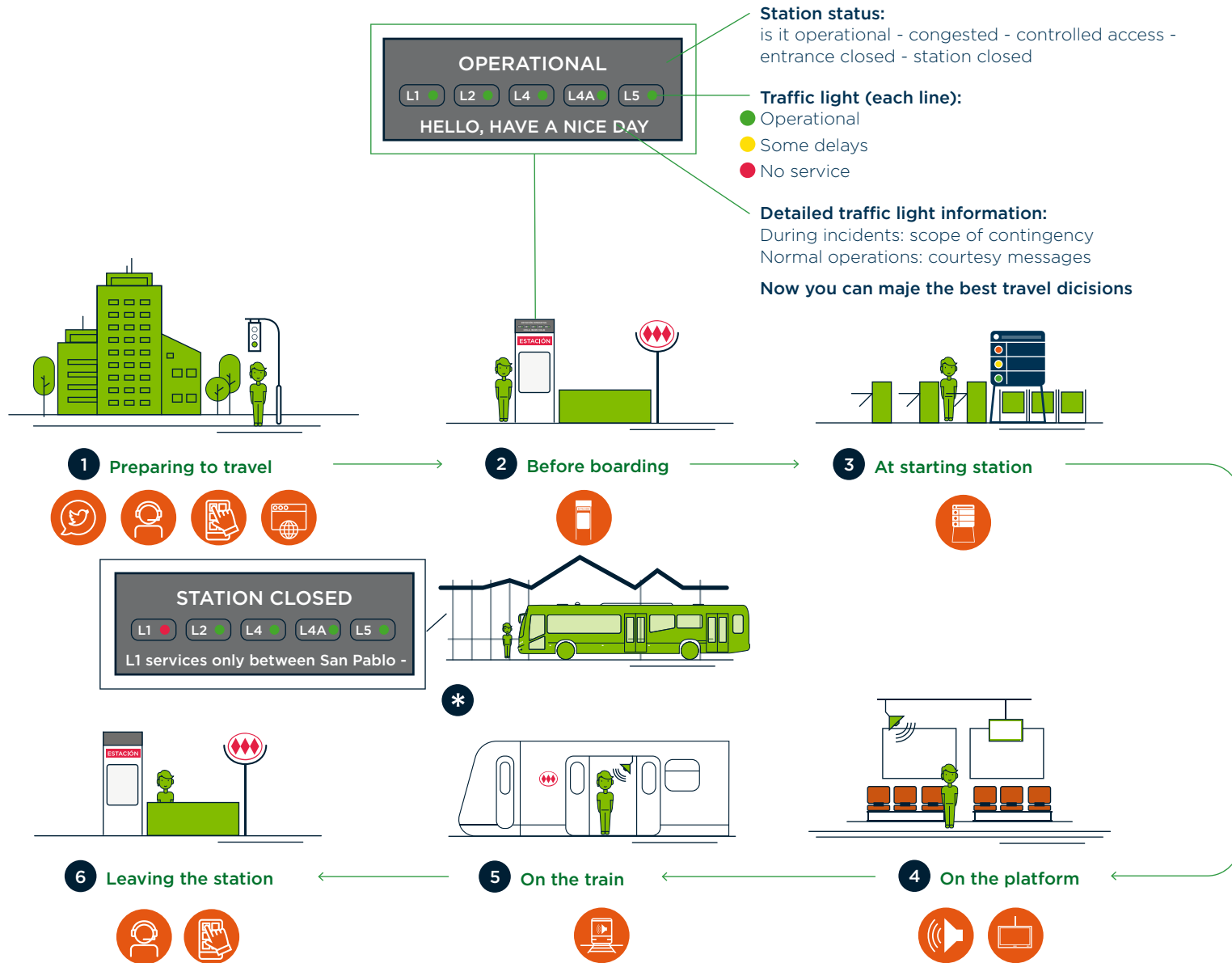
- Twitter: we’re actively involved in social media through our Twitter account @metrodesantiago by way of which we convey relevant, real-time, useful information directly to our users on the public transit system. We are constantly interacting with our followers. This is largest service account in Chile with more than 1.4 million followers, ranking 19th at national level.. Account membership grew by 40% from April to December 2016.



- Entrance Screens: we have 74 screens installed at the entrances of 18 stations. The purpose is to broadcast information on service status before our passengers enter the network. This is especially important in the event of emergencies affecting normal travel times because passengers are able to make decision about whether they wish to continue their trip or not before entering Metro.
- Platform Screens: we have installed screens along the platforms to publish the ETA of arriving trains, the color of the route, and the number of cars in arriving trains, in addition to public announcements regarding changes to regularly scheduled services.
- Mobile Applications: provide instant network updates, tell you where the closest station is located, which services are available nearby, help you plan your trip, etc. There were 93 million downloads of this app in 2016.










Useful, clear & timely information for every moment of your trip

You will receive real-time information before paying your fare and boarding the train

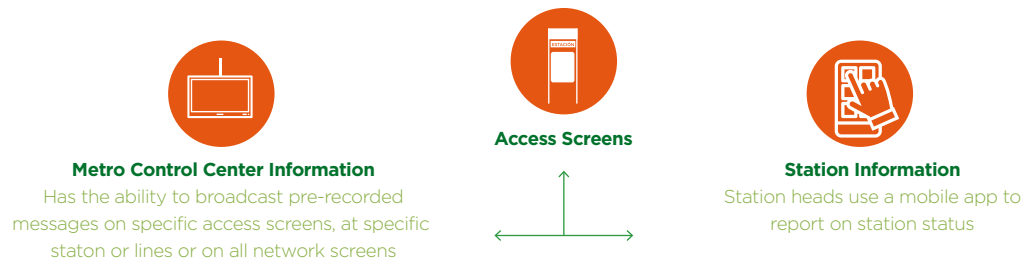




We offer many alternatives for you to access information at any time during your ride:

	 Train PA System	 Station PA System	 Platform Screens	 Access Screens	 Station Panels	 Social Media	 Call Center	 Mobile App	 Website
NETWORK AND LINE SERVICE AVAILABILITY				●	●	●	●	●	●
SERVICE INTERRUPTIONS	●	●	●	●	●	●	●	●	●
QUESTIONS						●	●		●
STATION SERVICE STATUS			●	●	●	●	●	●	●
ESTIMATED TRAVEL TIME			●				●	●	●
REAL TIME TRAIN ARRIVAL UPDATES			●						
AREAS OF INTEREST NEAR STATION								●	●

Information Flow



7.5 More Benefits for Seniors

Seniors rode the network close to 33 million times in 2016, amounting to 5% of all rides. We want each and every one of these rides to be beneficial for our senior customers, which is why we have launched a series of initiatives aimed at expanding senior subsidies.

In February 2016 we expanded our discounted senior rate to all hours of the day, even during peak hours; and in June we rolled out a new online registration site. These and preexisting benefits are examples of how we now provide a variety of different ways for seniors to access benefits. In 2016, 157,003 new users signed up on online platform, 30% more than 2015, which were only 120,752.

These measures have proven to be quite successful since the number of trips carried out by seniors in 2016 is 11% greater than in 2015.



7.6 Universal Access

Using mass transit to better integrate Santiago residents is part of our corporate values and mission. This does not merely entail expanding our services to more districts or our benefits to more residents; it goes beyond that and refers to providing transit services that are accessible by all, that make it easier for reduced-mobility passengers to get around, and that make Santiago a more livable city.

In this regard, we have progressively built stations that are increasingly more accessible by reduced-mobility passengers by installing elevators, paths for the seeing-impaired, preferential seating, and train door closing devices that can be heard and seen, in addition to other improvements.

We are currently in the process of rolling out our Universal Access Plan, which consists of installing elevators at 28 stations throughout the network that do not have elevator access at present.

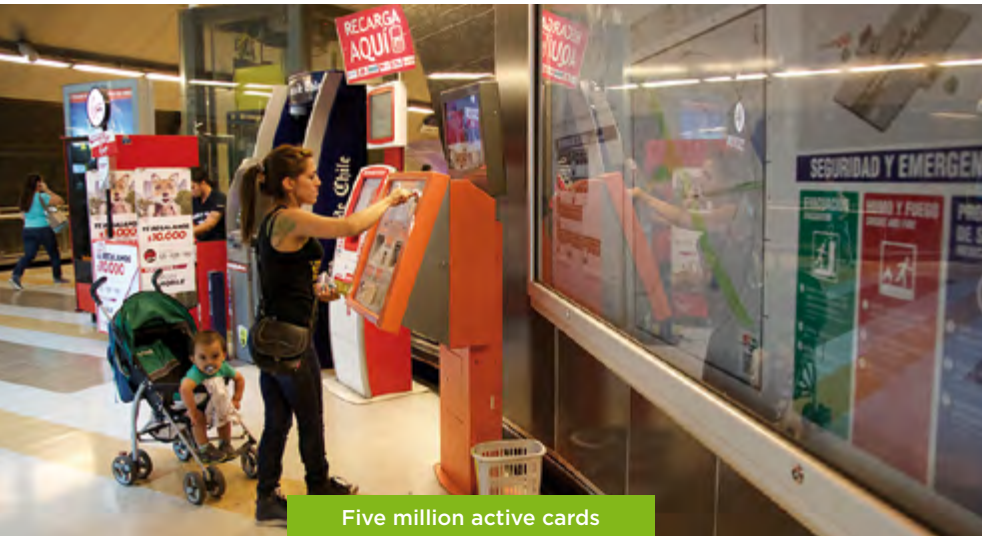
On Line 1, for example, in 2016 we began installing elevators at the Neptuno station, followed by El Golf and Alcántara. Next in line are San Alberto Hurtado, Universidad de Santiago, Unión Latinoamericana, República, La Moneda, Santa Lucía, Pedro de Valdivia, and Estación Central stations.

Elevators will also be installed on Line 2 in 2017 at the Parque O'Higgins, Toesca, El Llano, Lo Ovalle, Lo Vial, Departamental and Santa Ana stations.

We will begin construction on elevators along the following Line 5 stations: Bellas Artes, Parque Bustamante, Santa Isabel, Rodrigo de Araya, Carlos Valdovinos, Camino Agrícola, San Joaquín, Pedrero, Mirador and Santa Ana.

In summary, with all the aforementioned plans we expect to have the Metro network equipped with elevators in 2018 in order to facilitate the commute of our reduced-mobility passengers.

7.7 Bip! Card Purchasing and Recharging Network



Expanding Our Card Recharging Network

Our Payment Methods Management division manages the Bip! Card-recharging network used throughout the Santiago public transit system. We took over this task after having signed a contract with the Ministry of Transportation and Telecommunications for administrating card issuing services, post-sales, and sales network operations for the entire Santiago Passenger Mass Transit System.

In keeping with the above, we are responsible for printing and selling Bip! cards at all bricks-and-mortar and remote points of sale, the former consisting of all Metro ticket counters and street level recharging centers.

New Bip! Points of Sales

In order to expand coverage of the Bip! Card-recharging network at Metro we have entered into several agreements with the private sector so as to multiply and diversify street-level card recharging alternatives.

Along these lines, in 2016 we signed agreements with several retail associates, such as:

- We added 405 new Bip! Card-recharging points at various businesses located throughout 43 districts in the Metropolitan Region.
- Our partnership with Wal-Mart resulted in 71 new Bip! Card recharging centers located throughout the Ekono supermarket chain.
- Customers can now reload their Bip! cards 24 hours a day at 29 Shell service stations.
- We also added 13 more recharging centers at Ok Markets, which enabled us to service our customers in previously unserved areas such as Ciudad Empresarial.

All in all, in 2016 we added 520 new points to our network, amounting to a 24% increase in the size of our street-level recharging network.

Metro as a Prepayment Method Institution

In 2016, a milestone law was passed allowing non-banking institutions (including Metro) to issue and operate methods of payment with fund provision. The main purpose of this legislation was to promote financial inclusion and restrict the use of cash. We are quite sure that this will bring many benefits to Chile, especially to groups within society who have limited access to the banking industry.

Why Metro? Because we specialize in managing large volumes of small amount transactions, which are typical for prepayment methods. In fact, there are five million active Bip! Cards on the market today. These are used to carry out more than 1.7 billion transactions (card recharging and card usage). Moreover, over 70% of our Bip! card users fall within the C3-D-E socioeconomic groups, which are precisely those individuals who are excluded from the traditional financial system. In other words, we have experience in methods of payment and understand our target audience.

7.8 Services and Riding Experience

[G4-DMA] [G4-PR5] At Metro we understand how vital it is for us to listen to our customers and measure our results if we aim to provide a better riding experience. That is how we will be able to determine where there is room for improvement and how to best refine our attention.

Every now and again we work with an outside company to conduct satisfaction surveys in which we ask our users about various aspects of our services. The findings are shared with and processed by several areas with a view to making improvements.

The 2016 GfK Adimark survey revealed a 58% average annual net satisfaction rate, with particular emphasis on performance during the last few months of the year where one could clearly see a notable increase in satisfaction indicators. This broke the monthly trend we saw throughout the year. Moreover, starting in August there was a clear upward swing in the customer satisfaction rate, which hit its highest level in four years at net 73%.

Net Average Satisfaction: **58%**

This positive upswing was partly due to a drop in the percentage of customers stating that they had experienced an interruption in their regular services (from 29% in August to 8% in December); the latter may have been leveraged by fewer operational incidents and the implementation of CBTC which brought up satisfaction (70%) and encouraged customers' good perception of regular services (64%) on Line 1, in addition to other events that boosted customer satisfaction during peak hours (66%). All of the above constitute indicators that are usually closer to a net 50%, which is why better figures in these categories bring about overall better results.

This year we wanted to go a step beyond measuring satisfaction, and assess the service quality provided at our Customer Service Offices, for the first time ever, where especially trained people answered user questions and managed their complaints. In 2016, our CS offices processed a total of 243,144 requests, constituting a 12% increase over the previous year. In terms of the satisfaction level, the most recent measurement taken in August 2016 showed a 70% net satisfaction rate for services rendered at these offices.

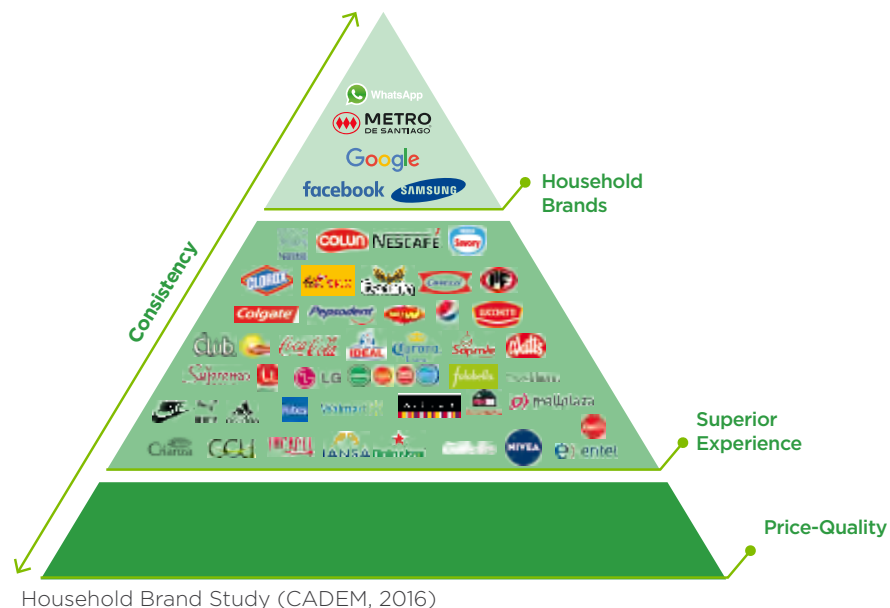
70% Net Satisfaction with Customer Service Offices

A Household Brand

In 2016, CADEM conducted a market study on household brands in order to determine how certain brand names common to our everyday lives are perceived by the community. One of the study's main findings was that Metro is considered to be one of the leading household brands that has open and straightforward communication with citizens on social media.

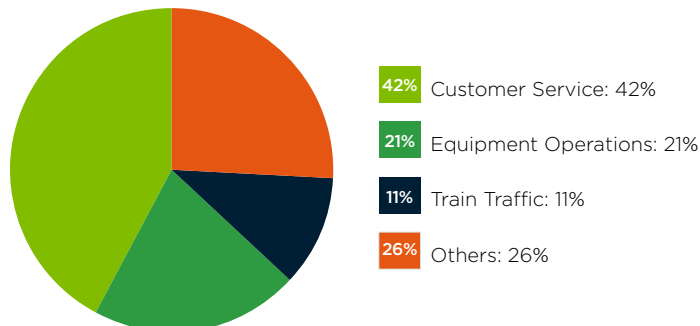
These findings justify the path we have already taken by designing a management strategy based on quality services and better riding experience for every passenger, not to mention the role we play as a state-owned company in fostering culture; providing opportunities for integration and citizen participation; and implementing and promoting measures that take into consideration the environment and our operations' surroundings.

However, this also constitutes a noteworthy commitment and challenge for us since we must adapt to an ever-changing sociocultural context and adjust to our users' demands and expectations.



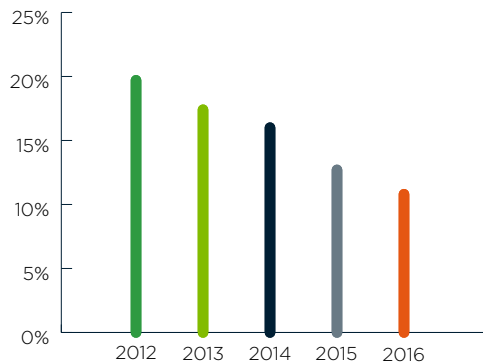
Managing Our Users' Complaints

On a positive note, we can report a drop in the percentage of complaints lodged in 2016. A total of 7,210 complaints were filed per million passengers. Said complaints are primarily related to customer service (42%) and train operations (26%).



Complaint Rate
[No. of Complaints / Million Passengers]

As seen in the graph, the complaint rate has steadily declined from 2012 to date:



Line 4 has the highest complaint rate at 13.2%, followed by Line 4A at 11.1%. The lowest complaint rate corresponds to Line 2 at 8.5% for every one million passengers.

7.9 Safety

[G4-DMA] [G4-PR1] Passenger safety is critical to us, which is why we work hard at securing it. In 2016 we adopted several measures aimed at reducing assault and crime rates.

We Encourage Self-Care as a means to Prevent Accidents on the Network

At Metro we have launched a Safe Customer Program consisting of accident prevention measures. In addition to this program we also launched Project Safety in 2016, which involved conducting a review of good practices followed by other Metros around the world (for replication in Chile), as well as the best practices we carry out here. As a result of both measures we have significantly reduced the number of accidents recorded in recent years. The program consists of the following activities:

- Monthly follow-up and monitoring of customer accident rate
- Identifying critical areas where the highest number of accidents occur and investigating their causes.
- Defining and controlling safety standards
- Training operational personnel at critical stations, placing emphasis on certain accidents such as passengers' hands getting stuck in doors while getting off trains and users falling down stairs leading to platform.
- Conducting safety inspections at stations that have higher accident rates and checking footpaths, handrails, central lighting, hazardous areas, uneven surfaces, etc.
- Holding safe habit campaigns to correct customers unsafe behaviors (on stairs, escalators, train doors)
- Training and educating our more accident-prone customers.
- Making improvements such as replacing handrails and stairs that do not meet code (because of height and width standards on handrails and step linings on stairs).
- Painting platform edges and critical escalators (to prevent feet from getting trapped on platforms)

Metro’s accident rate has gradually decreased over recent years, falling to 5.78% accidents per one million passengers transported in 2016, which is lower than rates recorded before the roll out of Transantiago.

User Accident Rate		
Year	Total	Rate
2014	4.654	6.97
2015	4.392	6.64
2016	3.873	5.78

Metro Continues to be the Safest Public Space in the City

As a company we are particularly concerned with preventing and controlling acts of crime committed on our network, which is why we have set up a series of measures meant to bring down the crime rate and reporting rate. Some of these measures are listed below:

- Joint Metro, Carabineros de Chile (street police), and Investigative Police service plans
- Extra services on special occasions (Young Combatant’s Day, September 11th, Independence Day celebrations, Paris Parade, Christmas and New Year’s)
- Physical presence of Carabineros (national police) at Metro stations
- Information campaigns aimed at fostering self-care and reporting illegal activities
- Free-of-charge legal services in court for victims of crimes committed on our network.

This commitment is part of our quest to provide our passengers with better, safer services, and has enabled us to gradually bring down the crime rate; nonetheless, in 2016 several indicators increased, for instance, the percentage of crimes reported jumped from 47% in 2015 to 58% in 2016. The following are the 2014-2016 crime statistics:

Year	Total Crime Rate	Other Events (rate)	% Crimes Reported
2014	1.16	0.44	36%
2015	0.98	0.34	47%
2016	1.09	0.35	59%

It is worth mentioning that theft, robbery, indecent acts, and damage to facilities are reflected under the total crime rate while assaults, disorderly contact and inebriation are grouped under “other events.” The percentage of crimes reported is the sum of all crimes grouped under the total crime rate divided by the total number of crimes reported.





7.10 Managing Contingencies

The primary purpose of the Passenger Transportation Division is to determine and coordinate timely responses to operational continuity contingencies. For this purpose and in order to mitigate the impact operational failures may have on Metro and Santiago's public transit system users, we have adopted several measures to bolster Metro's emergency response. To this end we work closely with the Metropolitan Public Transport Board (DTPM), so that we are able to act in conjunction to reinforce street level transit services if our operations are interrupted.

One of the measures we have adopted consists of a traffic light system installed at turnstiles so that users are aware of the service status prior to entering the platform.

Moreover, we are also convinced that it is necessary to tell passengers what to do in case of a contingency affecting normal operations, which is why we have launched awareness and education campaigns to inform them of the various support mechanisms in place.

Information at Entrances

The purpose of this service is to improve the information we provide users on street level transit services. To this end we have set up banners at station entrances with information on bus stop locations and bus routes, so that users are familiar with alternative transit services in the event Metro services are interrupted.

User Information at Stations

The purpose of this service is to improve the information we provide users at stations so they are able to make the best possible decision when traveling. We adopted this measure at all network stations and it comprises signs with information on the most relevant sites near our stations, bus stops and bus routes, station maps, and instructions in the event of emergencies.

Information on Trains

Its purpose is to keep passengers informed throughout their trip. We have placed pertinent information inside trains, specifically above doors, on how to proceed in the event of an evacuation and what to do in the event of smoke or fire on the train. This information is in both Spanish and English so that local citizens and tourists have clear information.

Emergency Wallet

The purpose of this is to provide information on what to do in the event of an emergency so that passengers know what to do in advance under certain circumstances, such as: smoke or fire on a train, medical emergencies or situations that may jeopardize the safety of our staff both on trains and at stations.







8. Environmental Management

8.1 Our Management

At Metro we work hard every single day to be a clean means of transportation that contributes to depolluting the City of Santiago. In practical terms, this means that we focus our efforts of encouraging energy efficiency initiatives and the appropriate use of natural resources.

These actions are a part of our constant efforts at Metro to sustainably develop our operations, follow good practices within our organization and with our suppliers, contractors, customers and the community as a whole. Environmental management is a mainstream concept at our company, even though the key tasks are handled by the Customer and Sustainability Management Division, which sets Metro's environmental management policies and guidelines.

Generally speaking, electric-powered mass transit systems such as Metro are known for being the most environmentally sustainable option for large cities. Therefore, our most relevant contribution to the environment lies in the impact we do not generate from our services. For example, because people prefer riding on Metro, the city of Santiago has cleaner air, less congested streets, and less noise pollution, all of which would be radically different if our passengers were to prefer other means of transportation to get around the city.



Our contribution to the environment can be summed up on the next slide.

On average, the following resources are required to transport 1,300 passengers in Santiago:

1 train



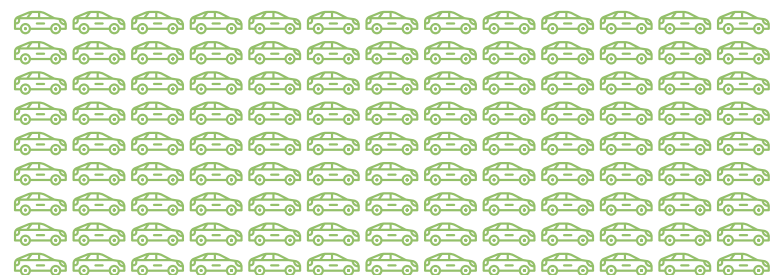
8 buses



325 collective taxis



930 cars



8.2 Managing Energy

Long-Term Power Agreement

[G4-DMA] At Metro we have made an effort to innovate and be a pioneer in the use of Non-Conventional Renewable Energy (NCRE) in Chile. Accordingly, in 2016 we signed two electric power supply agreements to source at least 60% of our energy needs with NCRE.

This pledge came to fruition when the following two NCRE projects began operations: the “El Pelicano” photovoltaic power plant and the “San Juan de Aceituno” wind farm.

After adding these two new contracts to our grid, by the end of 2017 our power grid will consist of 42% solar power (from the El Pelicano photovoltaic project), 18% wind power (from the San Juan wind farm) and 40% conventional energy (from Enel Distribución).

El Pelicano Solar Park

Holding	Total-Sunpower
Capacity	100 MW - 300 GWh/year
Location	Regions III & IV, La Higuera - Vallenar

Parque Eólico San Juan

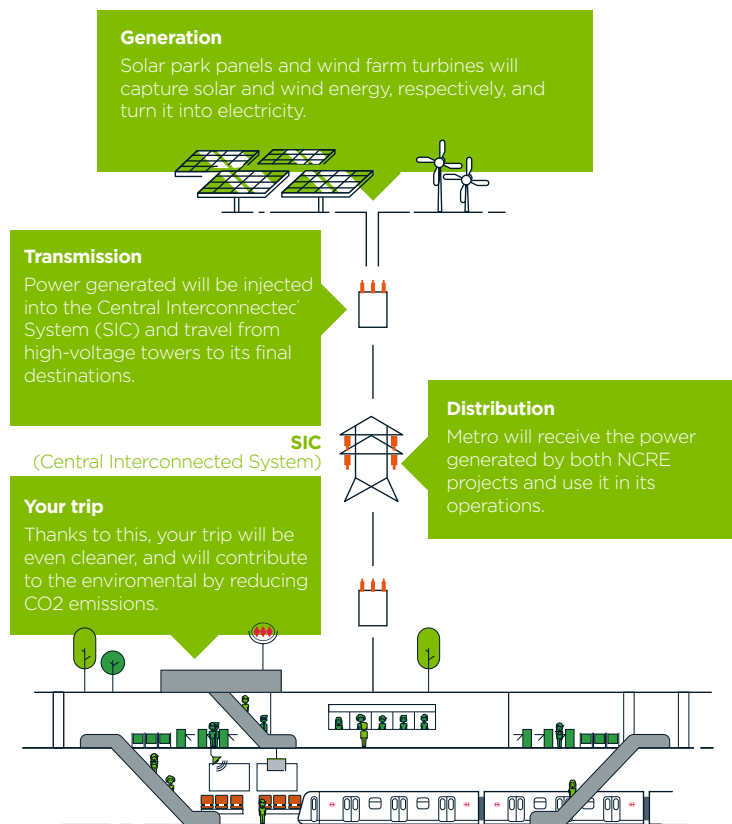
Holding	Latin America Power
Capacity	185 MW - 605 GWh/year
Location	Region III, Freirina





Clean Energy for your trip

Starting in 2017 Metro will use non-conventional renewable energy (NCRE) to meet some of its electric power consumption. More than 60% of Metro's energy requirements will be sourced by a 100MW photovoltaic power plant and an 184.4MW wind farm.



Did you know...?

- ...on average, a car ride pollutes 146 more times than your Metro ride.
- ...60% of the energy Metro consumes that comes from clean sources is equivalent to the average consumption of 104,000 households.
- ...both NCRE projects led by Metro will allow Chile to reduce its country level emission by some 130,000 tons of CO2 a year.
- ...80% of the energy Metro consumes corresponds to its operations and 20% to equipment, stations and workshops work.

Expected Outcome

- Stable energy prices less than 100 USD/MWh regardless of the marginal cost.
- For reference purposes, our NCRE consumption is equivalent to the energy consumption of 104,000 households.
- Both NCRE projects will enable us to reduce CO2 emissions at the country level by some 130,000 tons annually, which is equivalent to planting 7.8 million trees.

Energy Consumed in Operations

[G4-EN3] The electric power we consume for our operations is sourced from the Central Interconnected System (SIC), which has made it possible for us to operate satisfactorily throughout the year. Our power consumption has remained stable in recent years as illustrated in the graph below:

Year	Power Draw in KW/h		
	Trains	Lighting	Total
2014	336.574.654	77.781.428	414.356.082
2015	337.948.001	78.435.492	416.383.493
2016	338.206.021	79.740.764	417.946.786

Energy Efficiency

[G4-EN6] In August 2016 we published our Energy Efficiency Plan, within the framework of our commitment to sustainability and the efficient use of energy. The plan calls for replacing outdated light fixtures with better technological solutions, and relocating fixtures so as to optimize their use, at 19 stations along Line 1. Total energy saved will be equal to the energy consumed by 1,300 households.



This project consists of an efficient lighting system providing up to 60% savings in every consumption, and it was implemented at the following stations: Escuela Militar, Alcántara, El Golf, Tobalaba, Los Leones, Manuel Montt, Salvador, Baquedano, Universidad Católica, Santa Lucía, Universidad de Chile, Los Héroes, República, Unión Latinoamericana, Estación Central, Universidad de Santiago, Alberto Hurtado, Ecuador and Las Rejas.

The result has been significant progress at stations and energy savings:

Enhanced lighting, half the equipment, and a 60% reduction in energy consumed by lighting.	Remodeled electric power distribution system for station lighting. The previous system was obsolete and nearing the end of its service life.	Installation of an energy management system at each station for better control over energy use and consumption.	Savings estimated at: 2,840,489 kWh/year.
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Along with all the other ongoing activities we carry out at Metro to promote energy efficiency and good energy consumption habits, this initiative has led to an unexpected positive outcome. In late 2016 the Ministry of Energy recognized our efforts by awarding us the Energy Efficiency Seal. The purpose of this award is to distinguish leading companies in the field of energy efficiency promotion and development in Chile. All of this has brought about economic, social and environmental benefits resulting from lower operational costs, better quality of life for society, and a smaller carbon footprint.

In addition to the lighting renewal project, in 2016 Metro continued to adopt a series of energy efficiency measures. Our 2014-2016 energy savings are illustrated in the table below:

Initiatives	2014 Energy Savings	2015 Energy Savings	2016 Energy Savings	Standards, Methods & Assumptions Used
Loops System	11.2	11.26	11.28	Estimated 4% savings in total energy consumed by Line 1, 2 and 5 traction
Energy generated during braking	60.2	60.83	60.88	Estimated 18% savings in total energy consumed by traction
Electric Power Management Software and Transport Supply Scheduling	6.2	6.84	6.69	Estimated 18% savings in total energy consumed by traction
Using Smart Lighting	1.8	1.84	1.94	Estimated 10% savings in energy consumed by Line 4 & 4A lighting and power
Updating L1 Lighting System			2.84	We randomly measured the energy consumed by lighting at some stations in order to determine energy savings. This also involved analyzing energy consumption with and without the savings project for a certain period of station operations. For estimation purposes, we assumed 20 hours of lighting were used daily at stations, considering that lights remain on during the entire time Metro is open.

[G5-EN5] In terms of energy consumed for traction, energy intensity increased slightly despite recording a drop in the number of car/kilometers travelled throughout the year. Likewise, we also recorded a slight increase in the energy intensity of lighting, which is associated with higher consumption at stations due to HVAC systems, elevators, and lighting, among others.

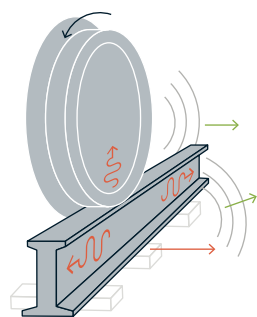
8.3 Environmental Impact Mitigation

Primary Environmental Impact of Operations

[G4-DMA] [G4-EN27] In 2013 we took on a significant commitment to reduce the environmental impact of our operations. As such, in 2016 we continued to focus on implementing our “Environmental Investment Plan.” This plan consists of carrying out projects that enable us to meet environmental targets in several areas.

The plan entails the following aspects: noise and vibration, non-hazardous industrial waste, hazardous industrial waste, liquid industrial waste, and hazardous chemical substances. These aspect must be managed throughout the entire network, including workshops, train depots and technical facilities.

Metro’s network runs throughout the entire city and its infrastructure is involved and interacts with many residential, commercial and industrial neighborhoods. In certain areas the latter causes noise and vibrations resulting from our normal activities, such as train maintenance and parking. In order to address this issue, Metro has an annual portfolio of projects that attained various degrees of progress in 2016 given their complexity:



Noise and Vibration Study Stage

- Vibro-Acoustic Mitigation Quilín Train Depot
- Vibro-Acoustic Mitigation Puente Alto Workshops
- Acoustic Mitigation San Eugenio Workshops
- Soundproofing track machinery.
- Track Machinery Soundproofing Maipú Line 5
- Soundproofing SER Stage II

Implementation Stage

- Soundproofing SER Stage I, completed.

Waste Management

[G4-DMA] [G4-EN23] Our solid wastes are removed in accordance with legal regulations currently in effect. In 2016, we produced 215,144 kg in tires, 57% of which was recycled by Polambiente, a company that produces recycled rubber beads, powder and granules that are used as filler for artificial grass fields and other applications. The remainder (43%) is transferred to the Cemento Melón La Calera Plant where it is used to fuel the cement production process.

Waste generated by Metro is transferred to companies authorized to dispose of said waste at landfills or recycle the waste, depending on the nature of the waste. Inert waste, derived primarily from excavation works, is generally used as filler to level off land, thereby extending the useful life of these products.

Main Construction-Related Environmental Aspects

Mitigating Environmental Impact of Line 3 and 6 Construction

[G4-DMA] [G4-EN30] At Metro we begin integrating environmental criteria in the project design phase in order better control and mitigate environmental impacts. The latter also enables us to comply with regulatory standards stipulated by environmental authorities and adopt the necessary measure to reduce the potential impact of our projects.

The main impacts are described as follows:

Noise: for works under way (building tunnels and stations that use noisy machinery) we have implemented several different mitigation measures such as noise silencers, perimeter acoustic barriers, and acoustic tunnels, among others, that significantly reduce the impact and inconveniences affecting communities. Metro personnel are also available on site to address community members’ concerns regarding the matter and arrange for solutions so as to minimize the inconvenience.

[G4-EN23] Regarding the waste produced during the construction of Metro’s new Lines 6 and 3, there was significantly less waste produced in 2016 when compared to 2015 since we are in the final stage of tunnel building.

Air pollution: minimizing air pollution is important, especially PM10. To this end we have a series of measures such as dampening areas with truck traffic, washing truck tires, and others.



Protecting archaeological heritage: archaeological surveys are conducted prior to the construction phase to make sure any possible findings are protected. In the event archaeological remains are found, the area under survey is expanded and remains are removed. Once the area has been cleared by the Council of National Monuments, we are able to begin the construction phase under archaeological supervision to ensure that new findings are protected

All findings are recorded and analyzed in the laboratory, and, when appropriate, pieces are sent abroad for C14 identification, followed by conservation, packaging and delivery to the National Natural History Museum. Some of the more representative archaeological sites will be prepared for exhibition in 2017 as part of a joint effort undertaken by Metro and the National Natural History Museum.



Environmental Audits on Contractors

[G4-DMA] [G4-14] [G4-EN33] In 2016 we formally instituted an Environmental Auditing process for our civil works and systems contractors, covering a total of 16 companies involved in the P63 project during this period.

The main conclusions drawn from this process point out some minor observations that do not have any real or potentially negative environmental impact on our supply chain.

Finally, we would like to underscore that we have not terminated any contract on the grounds of significantly negative environmental impacts.

8.4 Using Resources Responsibly

[G4-DMA] At Metro we are concerned with responsibly managing the resources we use for our operations and building new projects; likewise, we are also concerned with fostering a culture of environmentally friendly work among all Metro collaborators

Material Consumption

[G4-EN1] We use a variety of different materials and consumables at our maintenance workshops in order to ensure our operations run smoothly. In 2016, we significantly increased our consumption of lubricants, solvents, refrigerants and acetylene.

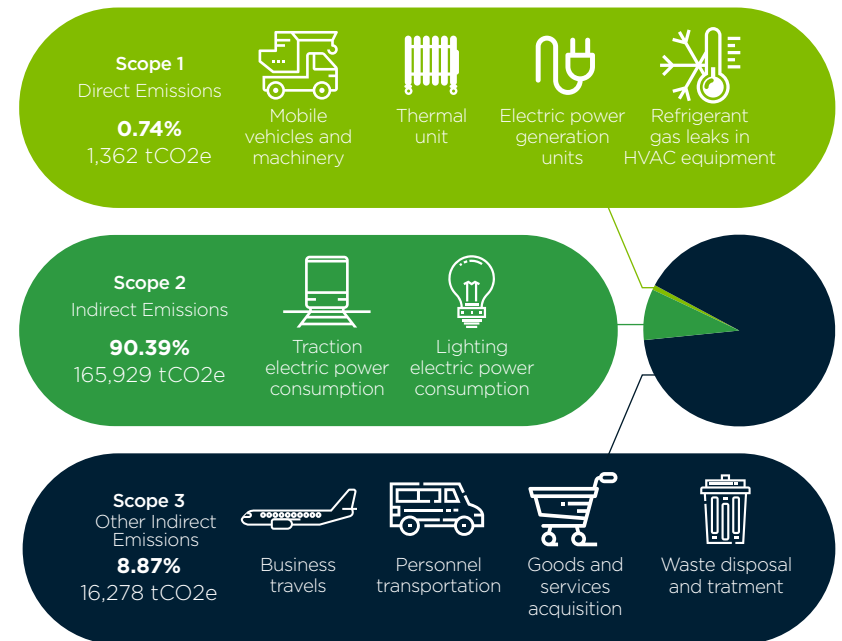
Material	Unit of Measure	2014 (Quantity)	2015 (Quantity)	2016 (Quantity)	% Change
Tires	Ton	67	155	119	-23%
Lubricants	L	3,584	28,983	46,501	160%
Grease	Kg	3,295	3,218	5,248	163%
Nitrogen	m3	6,640	10,982	8,728	-20%
Oxygen	m3	578	443	627	142%
Solvents	L	10,229	10,459	22,187	212%
Acetylene	Kg	419	431	686	159%
Refrigerants	L	268	724	1,212	167%

8.5 Being Accountable for Climate Change

[G4-DMA] [G4-EN15] [G4-EN16] [G4-EN17] [G4-EN18] [G4-EN19] throughout 2016 we continued to measure our corporate carbon footprint, which increased by 12% compared to 2015. By calculating this figure, we are able to identify various business areas and activities that have the greatest impact in terms of equivalent carbon dioxide emissions (CO2e).

It is worth noting that Scope 1 emissions (related to fuel consumption and air conditioning) dropped by 35% in 2016.

Metro S.A.'s Total GHG Emissions, 2016





Similarly, Scope 2 emissions (related to business administration, lighting, and train traction) account for 90% of our total emissions. Train traction, which has the greatest impact on our corporate carbon footprint at 73% of the total, increased 11% vis-à-vis 2015. .

Total
Footprint

Source	Greenhouse Gas Emissions (tCO2e)			% Change from 2015 - 2016	% Total Footprint
	2014	2015	2016		
Scope 1	328	2.097	1.362	-35%	0,74%
Fuel	154	257.54	148.94	-42%	0,08%
Air Conditioning	174	1.839.24	1213.46	-34%	0,66%
Scope 2	149.168	143.934	165.929	12%	90,39%
Administration	1.319	1.278	1.419	11%	0,77%
Lighting	26.683	25.874	30.242	12%	16,47%
Traction	121.167	116.782	134.268	11%	73,14%
Scope 3	13.597	13.560	16.278	12%	8,87%
Energy	26	36	41	11%	0,02%
Potable Water Production	39	36	35	4%	0,02%
Consumables Production	9	154	295	91%	0,16%
Cargo Transportation	46	43	38	-12%	0,02%
Personnel Transportation	5.387	5.697	5.987	5%	3,26%
Waste Water Treatment	142	137	114	-17%	0,06%
Waste Treatment	7.742	7.153	9.546	33%	5,20%
Business Travel	206	303	222	-27%	0,12%
TOTAL	162.783	159.591	183.569	12%	100

The intensity of GHG emissions in 2016 was 0.00124 tCO2-e/Car Km

[G4-EN20] Furthermore, we quantify ozone-depleting substances emitted during our operations. Trains are the primary source:

Consumption of Refrigerant Gases				
Source	Unit (kg)	2014	2015	2016
AC at Facilities	R 22	54	68	95
	R407C	11	34	68
	R410A	34	124	68
AC on Trains	R407C	1.625	619	464

[G4-EN15] [G4-EN16] [G4-EN17] Similar to previous years, this year we measured the P63 carbon footprint, which showed a 35% overall decrease in greenhouse gas emissions. The following is a summary of data broken down by project:

Carbon Footprint of Line 3 and 6 Construction (tCO2e)	2014	2015	2016
Line 3	241.271	356.070	272.344
Line 6	604.081	222.853	104.330
Total	845.352	578.923	376.674





9. About this Sustainability Report

9.1 Scope of the Report

[G4-3][G4-28][G4-29][G4-30] We hereby present our eighth Sustainability Report, which is published annually, in order to report to the general public and different company stakeholders about the company's 2016 economic, environmental and corporate governance related affairs.

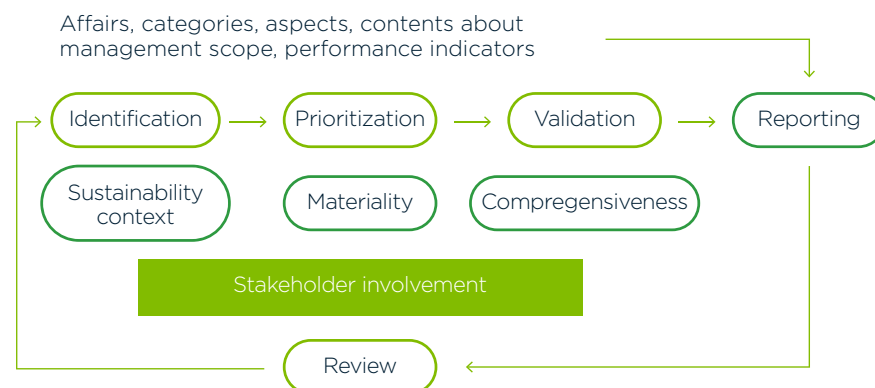
[G4-17] The scope of this report includes our current operations in addition to the Metro network expansion projects in the Santiago, Metropolitan Region in 2016. Furthermore, the report herein also contains an account of information pertaining to MetroArte Cultural Trust (Corporación Cultural MetroArte) but does not include information from Empresa de Transporte Suburbano de Pasajeros S.A. or Corporación Metro Ciudadano.

[G4-32] [G4-33] This report is drafted according to the Global Reporting Initiative (GRI). This year Metro has opted for issuing an essential report that accounts on more indicators than those required by this type of report, in spite of not having been verified by an independent organization.

9.2 Definition of Report Content

Materiality Assessment

Materiality Process



Identifying Material Aspects

[G4-18] [G4-19] [G4-20] [G4-21] During the preliminary identification of material aspects we first conferred with our stakeholders to recognize their main needs, concerns, and requirements suggested in the context of our relationship. Then, we conducted a review process in which we consulted primary and secondary sources of information in order to comprehensively establish the sustainability context in which our organization operates.

We identified a total of 73 material aspects during this stage.

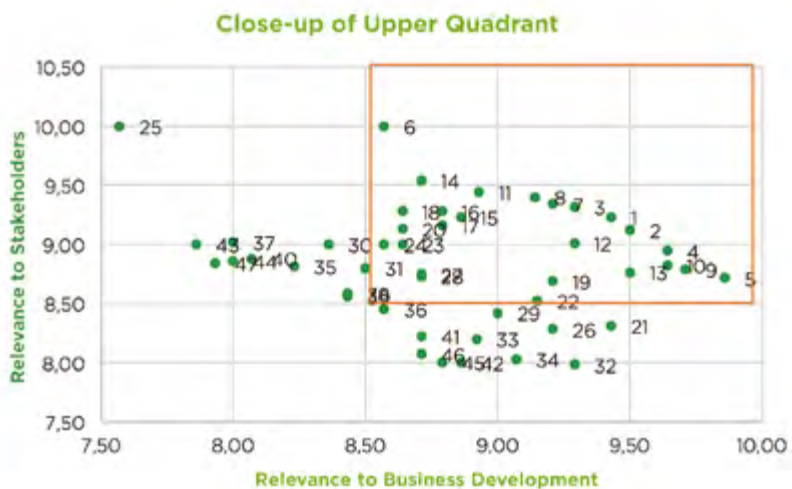
Prioritization of Material Aspects

After having completed the material aspects stage, we moved on to the next stage, which consisted of assessing each aspect in terms of its significance. This entailed conducting a total of seven probabilistic surveys, using the semantic differential assessment tool:

- Managers
- Users
- Suppliers
- Contractors
- Workers
- Store Operators
- Authorities

Surveys assessed two areas: the relevance of each aspect to the development of our business, for which we relied primarily on the results of Manager surveys; and the relevance of each aspect to our priority stakeholders.

This stage concluded with a list of priority aspects for our business. These are illustrated in the chart below:



List of Material Aspects and their Coverage

[G4-19] [G4-20] [G4-21]

N°	Material Aspects	Coverage
1	Safety on Trains and at Stations	Internal - External
2	Quality of Life at Work	Internal
3	Respect for Contract Conditions	Internal
4	Occupational Health and Safety	Internal - External
5	Operational Continuity	Internal
6	Physical working conditions for employees, suppliers, contractors and store operators	Internal - External
7	Efficiency of Service	External
8	Speed of Service	External
9	Work Climate	Internal
10	Metro Network Expansion	External
11	Long-term Relations with Metro	Internal - External
12	Universal Access	External
13	Own employees, suppliers, contractors and store operators treated well	Internal - External
14	Temperature on Trains and at Stations	External
15	Urban Connectivity	External
16	Cleanliness of Trains and Stations	External
17	Passenger Density at Peak Hour	External
18	Work Benefits	Internal
19	Professional Quality of Metro's Team	Internal
20	Job Security	Internal

Validation

At the end of the day our materiality analysis highlights the areas where the Sustainability Report should focus.

This document reports on all aspects related to the 2016 administration; we have defined material indicators and structured the report based on materiality results which were validated by a Committee from the Customer and Sustainability Management division.



GRI Table of Contents

GENERAL BASIC CONTENT				
Basic General Content		Chapter	Page	Global Compact
Strategy and Analysis				
G4-1	Statement defining who is ultimately responsible for the organization's decisions regarding the importance of sustainability in the organization and its strategy to address it.	Letter from the CEO	3	Criterion 19: Commitment and Leadership
Organization's Profile				
G4-3	Name of the organization	We Are Metro de Santiago	12	Advanced Level Requirement
G4-4	Organization's most important brands, products and/or services.	We Are Metro de Santiago	12	Operational Context
G4-5	Location of organization's headquarters	Back Cover	95	
G4-6	Description of number and name of countries where the organization operates or that are specifically relevant to sustainability issues addressed in the report	We Are Metro de Santiago	12	
G4-7	Nature of property and legal status	We Are Metro de Santiago	12	
G4-8	Markets served (with a breakdown by location, sector, type of customer, and recipients)	We Are Metro de Santiago	12	
G4-10	<ul style="list-style-type: none"> a. Number of employees by type of contract and gender b. Number of full-time employees by type of contract and gender c. Size of workforce by employees, contractor workers and gender d. Size of workforce by region and gender e. State if a substantial part of the organization's work is carried out by legally recognized employees or by individuals who are neither employees nor contractor workers, such as contractor employees and employees subcontracted by contractors. f. Report on every significant change in number of workers (e.g., seasonal hires during peak tourism season or harvest time) 	Labor Force Relations	41	6
G4-11	Percentage of employees covered under collective bargaining agreements	Labor Force Relations		3
G4-12	Organization's supply chain.	Supplier and Contractor Relations	50	Criterion 2: Value Chain
G4-13	<ul style="list-style-type: none"> a. Significant changes to the organization's size, structure, ownership structure or supply chain taken place during the reporting period; for example: • Changes to the location of centers, or at own centers, such as the opening, closing or expansion of facilities; • Changes to the company's ownership structure and other operations related to creating, maintaining or changing the company's capital (for private sector organizations); and • Changes to the location of suppliers, supply chain structure or supplier relationships, in terms of new hires or contract termination 			In 2016 there weren't any significant changes to the company's structure, size or ownership
G4-14	Explain how the organization addresses the principle of precaution, if applicable	Environmental Management	75	
G4-15	List the charters, principles or other external initiatives of an economic, environmental or social nature that the organization has signed or adopted	We Are Metro de Santiago	21	



G4-16	<p>a. List national or international associations (e.g., industrial) and the domestic or international promotion organizations the organization belongs to and in which:</p> <ul style="list-style-type: none"> • it holds a position on a governing body; • Participates in projects or committees; • Make a considerable financial contribution, in addition to mandatory membership dues; • Considers being a member is a strategic decision. This list refers primarily to memberships held by the organization. 	We Are Metro de Santiago	21	
Material Aspects and Coverage				
G4-17	<p>a. List the entities appearing on the organization's consolidated financial statements and other equivalent documents.</p> <p>b. Indicate whether any of the entities appearing on the organization's consolidated financial statements and other equivalent documents do not appear in the report. The organization may provide this basic content by way of a reference to the information disclosed and available in the consolidate financial statements or other equivalent documents.</p>	About this Sustainability Report	85	
G4-18	<p>a. Describe the process followed to determine the content of the report and the coverage of each Aspect.</p> <p>b. Explain how the organization has applied the Principles of report writing to determine the report's content.</p>	About this Sustainability Report	85	
G4-19	List material aspects identified during the report content definition process.	About this Sustainability Report	85	
G4-20	<p>Organization's internal coverage of every material aspect. Do it as follows:</p> <ul style="list-style-type: none"> • State whether the aspect is material within the organization. • Whether the aspect is not material for all entities within the organization (as described under item G4-17), chose one of the following approaches and provide: <ul style="list-style-type: none"> • A list of the entities or groups of entities included under item G4-17 that do not consider the aspect in question to be material; or • A list of the entities or groups of entities included under item G4-17 that do consider the aspect in question to be material • Any concrete restriction that affects the coverage of every aspect within the organization. 	About this Sustainability Report	85	
G4-21	<p>a. Organization's external coverage of every material aspect as follows:</p> <ul style="list-style-type: none"> • State whether the aspect is material outside of the organization. • If the aspect is material outside the organization, state which entities, groups of entities or elements consider it to be material. • Also describe the places where the Aspect in question is material to the entities. • State any concrete restriction that affects the coverage of this aspect outside of the organization. 	About this Sustainability Report	85	
Stakeholder Participation				
G4-24	List Stakeholders linked to the organization.	We Are Metro de Santiago	20	Criterion 21: Stakeholder Participation
G4-25	Describe why the organization chose to work with the stakeholders it does	We Are Metro de Santiago	20	
G4-26	Description of organization's approach to stakeholder participation, including the frequency with which it collaborates with the different stakeholder types and groups o state if the participation of a group was the specific result of the report writing process.	We Are Metro de Santiago		
G4-27	Description of key issues and problems arising from stakeholder participation and a description of the evaluation conducted by the organization in its report, as well as other aspects. Specify which stakeholders addressed each of the topics and key issues.	We Are Metro de Santiago		



Scope of Report				
G4-28	Reporting period (for example, fiscal or calendar year)	About this Sustainability Report	85	Advanced Level Requirement
G4-29	Date of last report (if applicable)	About this Sustainability Report	85	Operational Context
G4-30	Reporting frequency (annual, biannual, etc.)	About this Sustainability Report	85	
G4-31	Contact person for inquiries regarding report content	Back cover	85	
G4-32	<ul style="list-style-type: none"> a. State which "in accordance" options the organization has chosen under G4 Guidelines. b. State the GRI Index for the option chosen (see charts below). c. State references to external verification report if the report has been subjected to verification. Although it is not mandatory, the GRI recommends external verification so that the report is "in accordance" with the Guidelines. 	About this Sustainability Report	85	
G4-33	<ul style="list-style-type: none"> a. Organization's current policy and practices regarding external report verification. b. Describe the scope and basis of the external verification if it is not mentioned in the verification report attached to the sustainability report. c. Describe the relation between the organization and verification suppliers. d. State whether the highest governing body or the senior management has participated in the request for external verification of the organization's sustainability report. 	About this Sustainability Report	85	
Governance				
G4-35	Describes the process used by the organization's governing body to delegate authority to the senior management and to certain employees to address economic, environmental and social matters.	Corporate Governance	24	
G4-36	States if there are executive positions or positions in the organization responsible for economic, environmental and social issues, and if the position holders answer directly to the highest governing body.	Corporate Governance	24	
G4-37	Describes the consultation process between stakeholders and the governing body regarding economic, environmental and social issues	Corporate Governance	25	
G4-38	Describes the make up of the governing body and its committees.	Corporate Governance	25	
G4-39	States whether the person presiding over the governing body also holds an executive position. If so, describe his/her executive functions and reasons why appointed.	Corporate Governance	25	
G4-43	State what measures have been taken to development and improve the collective understanding of the governing body regarding economic, environmental and social issues.	Corporate Governance	25	
G4-45	<ul style="list-style-type: none"> a. Describe the role of the governing body in identifying and managing economic, environmental and social impacts, risks and opportunities. Also explain the role of the governing body in conducting due diligence b. State whether stakeholders are consulted regarding the governing body's process of identifying and managing economic, environmental and social impacts, risks and opportunities. 		25	
G4-48	State the most senior committee or position in charge of reviewing and approving the organization's sustainability report and ensuring that all material aspects are reflected	Corporate Governance	25	
G4-49	Describe the process to convey significant concerns to the governing body.	Corporate Governance	25	



G4-51	Describe the governing body's compensation policy for body members and senior management, using the following types of compensation: a. fixed and variable compensation: • performance-based compensation; • stock compensation; • premiums; and • deferred dividend shares or transferred shares; • hiring bonus or incentives; • severance pay for being let go; • reimbursements; and • retirement pension, bearing in mind the differences between contribution regimes and the types of compensation received by the governing body and senior management and all other employees. b. Define relationship between performance-related criteria that affect the compensation policy and the governing body's and senior management's economic, environmental and social goals.	Corporate Governance	26	
G4-52	For processes that determine pay, state if consultants are used to determine pay and, if so, are they independent from management. State any other type of relations that said consultants may have with the organization regarding retribution.	Corporate Governance	26	
Ethics and Integrity				
G4-56	Describe the organization's values, principles and standards, such as codes of conduct and/or ethics.	We Are Metro de Santiago	16	10
G4-57	Describe the internal and external mechanisms regarding advice in favor of ethical and licit behavior, and to consult on matters related to the organization's integrity, such as help lines or support lines.	Corporate Governance	27	10
G4-58	Describe internal and external mechanisms to report ethical or legal violations and violations of the organization's integrity, such as an upward reporting system to senior management, complaint/violation reporting mechanisms or help line.	Corporate Governance	27	10
ECONOMIC CATEGORY				
Aspect: Economic Performance				
G4-DMA	Management Approach	We Are Metro de Santiago	23	Criteria 9-11: Description of actions and practices
G4-EC1	Direct Economic Value Generated and Distributed	We Are Metro de Santiago	13	Advanced Level Requirement Operational Context
G4-EC3	Coverage for debt obligations taken on by the organization arising from its benefit plan	Worker Relations	46	
Aspect: Acquisition Practices				
G4-DMA	Management Approach		23	Criteria 9-11: Description of practical actions
G4-EC9	Percentage spent on local suppliers in markets where organization conducts significant operations	Supplier and Contractor Relations	52	Criterion 2: Value Chain



CATEGORY: ENVIRONMENT				
Aspect: Material				
G4-DMA	Environmental Management Approach	Environmental Management	77	Criteria 15-18: Description of practical actions
G4-EN1	Materials by weight or volume	Environmental Management	82	7 8
Aspect: Energy				
G4-DMA	Environmental Management Approach	Environmental Management	77	7 8 9
G4-EN3	Internal Energy Consumption	Environmental Management	78	7 8
G4-EN6	Reduction of energy consumption	Environmental Management	78	8 9
Aspect: Emissions				
G4-DMA	Environmental Management Approach	Environmental Management	82	7 8 9
G4-EN15	Direct greenhouse gas emissions (Scope 1)	Environmental Management	82	7 8
G4-EN16	Indirect greenhouse gas emissions produced by power generation		82	
(Scope 2)	Environmental Management		82	
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	Environmental Management	82	Criterion 2: Value Chain 7 8
G4-EN18	Intensity of greenhouse gas emissions	Environmental Management	83	8
G4-EN19	Reduction of greenhouse gas emissions	Environmental Management	80	8 9
G4-EN20	Emissions of ozone-depleting substances	Environmental Management	80	7 8
Aspect: Effluents and Waste				
G4-DMA	Environmental Management Approach	Environmental Management	80	8
G4-EN23	Total waste weight, by treatment type and method	Environmental Management	80	8
Aspect: Products and Services				
G4-DMA	Environmental Management Approach	Environmental Management	80	7 8 9
G4-EN27	Environmental impact mitigation for products and services	Environmental Management	80	7 8 9
Aspect: Regulatory Compliance				
G4-EN29	Monetary value of large fines and the number of non-monetary sanctions for non-compliance with environmental legislation and regulations	Metro did not record any significant monetary fines or sanctions due to non-compliance with current environmental legislation during this period.		
Aspect: Transport				
G4-DMA	Environmental Management Approach	Environmental Management	80	8
G4-EN30	Significant environmental impacts of transport of goods and other items and materials used in the organization's activities, in addition to personnel transport	Environmental Management	80	



Aspect: Environmental Assessment of Suppliers				
G4-DMA	Labor Management Approach	Environmental Management	81	
G4-EN33	Real and potential, significant, negative environmental impacts on the value chain and mitigation measures	Environmental Management	81	8
Aspect: Environmental Claim Mechanisms				
G4-DMA	Management Approach	Environmental Management		
G4-EN34	Number of environmental claims filed, addressed and resolved through formal complaint measures	Environmental Management		8
CATEGORY: SOCIAL SUBCATEGORY: LABOR PRACTICES AND DECENT WORK				
G4-DMA	Labor Management Approach	Worker Relations		Criterion 2: Value Chain Criterion 6: Description of practical actions
Aspect: Employment				
G4-DMA	Management Approach	Worker Relations	42	
G4-LA1	Number of employees, hiring rate and average employee turnover rate, broken down by age group, gender and region	Worker Relations	42	6
G4-LA2	Social benefits available to full-time workers not offered to seasonal or part-time workers, broken down by main activity.	Worker Relations	46	
Aspect: Occupational Health and Safety				
G4-DMA	Management Approach	Worker Relations		
G4-LA5	Percentage of workers represented on formal joint and standing company/worker health and safety committees set up to help control and advise on occupational health and safety program	Worker Relations	48	
G4-LA6	Types and rate of professional injuries, illnesses, days lost and absenteeism, and number of fatal victims resulting from work-related accidents, by region and gender	Worker Relations; Supplier and Contractor Relations	48	Criterion 2: Value Chain
G4-LA7	Workers in positions with a high risk or incidence of disease	Worker Relations	48	
Aspect: Training and Education				
G4-DMA	Management Approach			
G4-LA9	Total number of average annual training hours per employee, broken down by gender and labor category	Worker Relations	45	6
G4-LA10	Skill management and training programs that bolster workers' employability and help them manage the end of their professional careers	Worker Relations	46	6
G4-LA11	Percentage of employees who undergo regular performance and professional development evaluations, broken down by gender and job category	Worker Relations	43	6
Aspect: Diversity and Equal Opportunities				
G4-DMA	Management Approach	Corporate Governance	26	
G4-LA12	Make up of governing bodies and breakdown of body members by job, gender, age, minority group and other diversity indicators	Corporate Governance	26	6



Aspect: Compensation Equality among Male to Female Workers				
G4-DMA	Management Approach	Worker Relations	42	
G4-LA13	Ratio of men to women's base pay, broken down by job category and major activity	Worker Relations	42	6
Aspect: Assessment of Suppliers' Labor Practices				
G4-DMA	Management Approach	Supplier and Contractor Relations	52	
G4-LA14	Percentage of new suppliers examined on the basis of labor-practice criteria	Supplier and Contractor Relations	52	
G4-LA15	Significant (real and potential) impacts of labor practices on the supply chain, and related measures	Supplier and Contractor Relations	52	
CATEGORY: SOCIAL SUBCATEGORY: HUMAN RIGHTS				
Aspect: Non Discrimination				
G4-DMA	Management Approach	Worker Relations	45	
G4-HR2	Hours of training employees receive on policies and procedures related to human rights relevant to their activities, including percentage of employees trained.	Worker Relations	45	
CATEGORY: SOCIAL SUBCATEGORY: SOCIETY				
Aspect: Local Communities				
G4-DMA	Management Approach	Community Relations	56	1
G4-SO1	Percentage of centers that have implemented local community development, impact assessment and participation programs	Community Relations	56	1
G4-SO2	Operation centers with real or potential, significant, negative effects on local communities	Community Relations	59	1
Aspect: Anti-Corruption Efforts				
G4-DMA	Management Approach	Corporate Governance	27	
G4-SO3	Number and percentage of centers that have assessed the corruption-related risks and significant risks identified	Corporate Governance	27	
G4-SO4	Anti-corruption communication policies and procedures and training	Corporate Governance	28	
G4-SO5	Confirmed cases of corruption and measures adopted	Corporate Governance	28	10
CATEGORY: SOCIAL SUBCATEGORY: RESPONSIBILITY FOR PRODUCTS				
G4-DMA	Management Approach products/services			Minimum Requirements: Description of practical actions
Aspect: Customer Health and Safety				
G4-DMA	Management Approach	Passenger Relations	72	
G4-PR1	Product and services lifecycle phases assessed for improvement purposes; product and services impact on customers health and safety; and percentage of significant product or service categories whose impact on health and safety have been assessed in order to identify improvements.	Passenger Relations	72	



Aspect: Product and Service Labeling				
G4-DMA	Management Approach	Passenger Relations	66	
G4-PR4	Number of cases of non-compliance with regulations and voluntary codes applicable to product and service information and labeling, broken down by type of outcome	Passenger Relations	66	
G4-PR5	Results of customer satisfaction practices, including the results of customer satisfaction surveys.	Passenger Relations	71	

[G4-31]

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[G4-5]

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