Sustainability Report

Legal Name
Inversiones La Construcción S.A.

Doing Business as
ILC

Taxpayer ID number
94.139.000-5

Type of company
Publicly held corporation registered in the Securities Register of the Chilean Financial Market Comission (CMF)

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ILC controls companies that provide key services for the development of the Country, actively participating in the finantial and health industries.

Table of Contents

Chapter 1: Welcome 6

Chapter 2: Our Company 10

Chapter 3: Vision of Sustainability 34

Chapter 4: Corporate Governance 44

Chapter 5: Economic Performance 64

Chapter 6: Generating Social Value 70

Chapter 7: Customers 76

Chapter 8: Employees 88

Chapter 9: Environment 108

GRI Index 112

01.
Welcome

Letter from the Chairman

G4-1

It is my pleasure to present you the sixth version of ILC's Sustainability Report. This document recaps our main efforts and progress made in financial, social and environmental matters for the year 2017.

As we have demonstrated throughout our years in operation, **between 2012 and 2016 the Company focused on the areas where it has the greatest experience: the financial and health sectors.** This was reaffirmed by the sale of subsidiaries in education and information technology and acquisitions in the financial sector such as Confuturo, CorpSeguros and Banco Internacional. **Once this phase was concluded, ILC faced a new cycle characterized by growth**, arising from economic and demographic fundamentals as well as opportunities for internal improvements.

This strategy of diversification with a focus on the financial and health sectors enabled us to consolidate ourselves as a major company with more than Ch$100 billion in profit. We have a suitable organizational structure in place to continue growing, which was reflected in our subsidiaries' results, competitiveness and operating excellence in 2017.

At ILC we are aware of the responsibility that comes with participating in regulated sectors of great social and economic significance. From this sense of duty comes our commitment to sustainability, which is reflected in our long-term corporate strategy.

ILC and our companies have played **an active role in public debate.** Here, our main goal is to defend the interests of our beneficiaries and, as a result, improve their quality of life. One example is AFP Habitat, which has released two public accounts regarding its performance in Chile, and developed a series of pension education programs. Our insurance subsidiaries Confuturo, CorpSeguros and Vida Cámara, have also engaged actively in the discussion related to the implementation of new regulatory measures, making valuable contributions to establish principles and best practices for market conduct and reinsurance management.

Our commitment to our customers and the country can also be seen in **the coverage and scope of our operations**. In 2017, we had 2 million members in Habitat Chile and 1.1 million in Habitat Peru, 107 thousand active pensioners in Confuturo and CorpSeguros and more than 8,500 customers in Banco Internacional. Red Salud performed 3.4 million medical consultations, 6.2 million medical tests and over 80 thousand surgeries, while Consalud boasted 685 thousand policyholders and Vida Cámara had 291 thousand beneficiaries of supplementary health insurance policies. This is all managed through an extensive network of branches and platforms, all aimed at providing the best customer service throughout Chile.

Another important milestone during 2017 was a series of **organizational culture** initiatives. In this area, we elaborated and promoted ten principles of corporate culture, launched an organizational values project and began to implement a platform to reduce potential corporate governance, social and environmental risks. We also relocated a large number of our subsidiaries to our new corporate building.

In short, 2017 was a year of important operational, commercial and financial developments. However, all these achievements bring with them **ambitious challenges for the future**, which must be met in an increasingly demanding society. In this spirit, several important challenges lie ahead for our organization: participating in industries with a high impact on social welfare; managing more than 12,500 employees, 70% of which are female; being directly supervised by more than ten regulators; serving more than 4 million customers, having an important number of foreign shareholders and other such variables. We are aware of the importance of our actions and believe that our organizational structure is prepared to face these challenges.

Finally, it is important to note that **67% of the dividends generated by ILC are distributed to the Chilean Chamber of Construction (CChC). In 2017, CChC invested close to US$19 million in social programs** in order to improve the quality of life of construction **workers and their families** in areas like health, housing, training and wellbeing.

I would like to bring this message to a close by thanking our more than 12,500 employees, along with our customers, suppliers and investors. Without them we would not have achieved this progress and our record financial performance for 2017. We are proud of our history, so we invite you to face the challenges awaiting us and continue to contribute to the future of our Company and of Chile.

Sergio Torretti C.
Chairman of the Board of ILC

02.
Our Company

Our Company

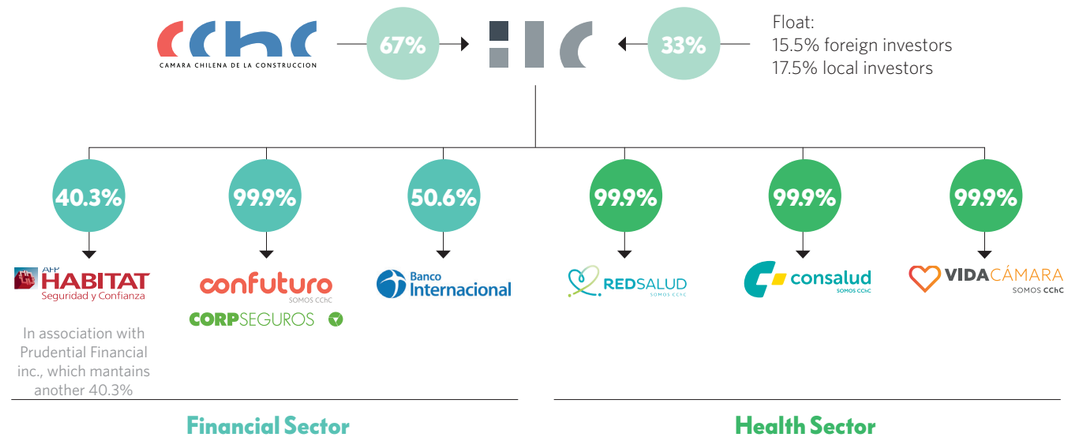
G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-12, G4-13, G4-17, G4-56

a. About us

IILC is a publicly held corporation founded in Chile in 1980 that operates in the financial and health sectors through different companies, including: AFP Habitat (pension funds), Confuturo and CorpSeguros (life insurances and annuities), Banco Internacional (banking), Red Salud (hospital and outpatient care network), Isapre Consalud (mandatory health insurance) and Vida Cámara (supplementary health insurance).

Our Company currently has more than 12,500 employees in Chile and Peru. ILC is controlled by one of Chile's oldest trade associations, the Chilean Chamber of Construction (CChC), whose commitment to developing sustainable and long-term relationships with our stakeholders we share.

ILC Organizational Structure as of December 31, 2017:



b. ILC in Figures

Revenues

Ch$1,656,639 million

Net Earnigs

Ch$129,378 million

Total Assets

Ch$8,777,355 million

Total Equity

Ch$811,380 million

Assets Under Management (AFP Habitat, Confuturo and CorpSeguros)

US$69.1 billion

Risk Rating

AA+

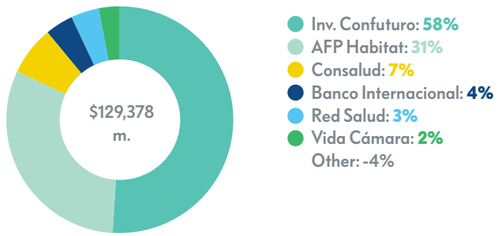
(Feller Rate and ICR)

Consolidated Employees

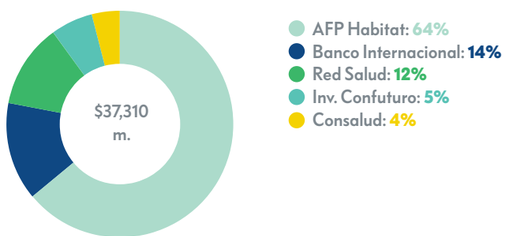
12,562

(approximately 70% female and 30% male)

Breakdown of ILC Earnings:



Breakdown of ILC Dividends Received:



CorpSeguros distributed a total of $13,897 million in dividends, which were used by Inversiones Confuturo to pay amortizations and interest on finacial obligations.

c. ILC Mission, Vision and Values

Mission:

"We aim to improve quality of life for everyone, by providing efficient and accessible services in the financial and health sectors, thereby creating value, efficiency and sustainability."

Vision:

"We want our subsidiaries to become leading companies that can sustainably meet financial and health needs, while continually increasing shareholder value, within the framework, values and principles established by the Chilean Chamber of Construction."

Values:

"At ILC, we promote ethics, an attitude of service, customer focus, job excellence and team work. We also seek to educate and inform on savings and health issues, in order to improve our members' quality of life and welfare, while contributing to the country's development."

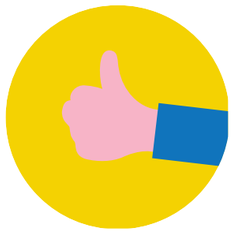
d. Principles That Guide Our Actions

ILC defined ten principles related to corporate culture that apply to the entire organization. They aim to transmit to all employees the hallmark that the Company seeks for its daily operations, emphasizing the responsibility of each person at ILC.

About Us

Let's Feel Part of "We are CChC"

The Chilean Chamber of Construction, our main shareholder, has been making concrete contributions to the country's development for 65 years. Let's be proud of belonging to, representing and working for this Group



Let's not Compromise on Ethics and Transparency

Success only comes through honest work. Trust takes a long time to build, but quickly disappears.

Let's Contribute to an Atmosphere of Respect

Respect is an essential ingredient in any human and working relationship.

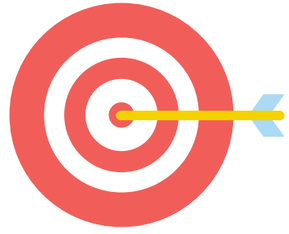
What we Seek

Let's Build a Better Country with Our Work

Our Group strives to provide the best pension, health and financial solutions. We always bear in mind that the short and long-term welfare of the people and institutions we serve is the driving force behind our work.

The Future is Our Present

Let's focus our work on the future, in accordance with the time horizon that applies to our industries. Let's set goals with clear objectives, innovative strategies and proper planning.



Let's Give our Best Each Day

Professionalism and excellence are what drives us; small details make a difference.

How We Do It

Let's Maintain Innovative Leadership

We need to be creative and flexible as we identify strategies and seek solutions. Leadership that is innovative is also sustainable. Innovation captivates talent.

Let's Listen to Everyone Around Us

Let's always be open to listening. It is the only way we can understand what our teams, beneficiaries and society want to communicate.

Let's Learn from Our Team

Let's aim for every person in the Group to experience professional growth, to which we all contribute. When different styles, qualities and experience come together around a common goal, the result will always be better.

Let's Protect our Resources

Prudent use of resources and good management are key to achieving sound and sustained growth. Only this way we will have sufficient time and resources to provide better service.

e. Our History[1]

ILC began in 1980 as Sociedad de Inversiones y Rentas La Construcción S.A., the objective of which was to invest in social welfare entities, insurance companies, clinics or hospitals, educational establishments and electronic services.

In 1981, our Company participated in the beginning of the individual retirement savings system with the creation of AFP Habitat. In 1984, we formed a private corporation called "Instituto de Salud Previsional de la Construcción", better known as Isapre Consalud. From that point, we began entering other areas, including life insurance, education and information technology, growing into a major player in each.

Our initial public offering in 2012 marked one of the most relevant milestones in our history and the beginning of a phase of consolidation. Divestment in education and information technology segments allowed us to focus on sectors where we have more experience and diversification brought us into the life insurance and banking industries. At the same time, in 2013, we expanded internationally for the first time, when AFP Habitat and Vida Cámara entered Peru.

All of the above prepared us for a growth phase with roots in economic, demographic and internal performance factors. We plan to continue creating value for each of our stakeholder groups in these industries, which are so important to the development and future of the country.

The following are some of the main post-IPO milestones:

Opening to the Market, Other Areas and Borders

From Consolidation to Growth

2012

- ILC successfully completes its initial public offering, raising US$468 million. This is the largest IPO in Chilean history.

2013

- AFP Habitat enters Peru after winning the first tender for new members in the private pension system for two years.
- Vida Cámara enters Peru after winning part of the first tender for disability, survivor and funeral expense insurances (SISCO).
- IILC acquires 67% of Inversiones Confuturo (formerly Corp Group Vida Chile), consolidating life insurances companies, Confuturo (formerly Corpvida) and CorpSeguros.

2015

- ILC enters the banking industry acquiring 50.6% of Banco Internacional and 50.1% of Factoring Baninter and Baninter Corredora de Seguros.

2016

- ILC partners with Prudential Financial Inc., which takes a stake in AFP Habitat in order to expend its leadership in the Latin American pension industry.
- ILC acquires minority interest in Red Salud and Inversiones Confuturo, bringing ownership to 100% in both companies.
- ILC sells its interest in iConstruye and Desarrollos Educacionales, consolidating its focus on the financial and health sectors.

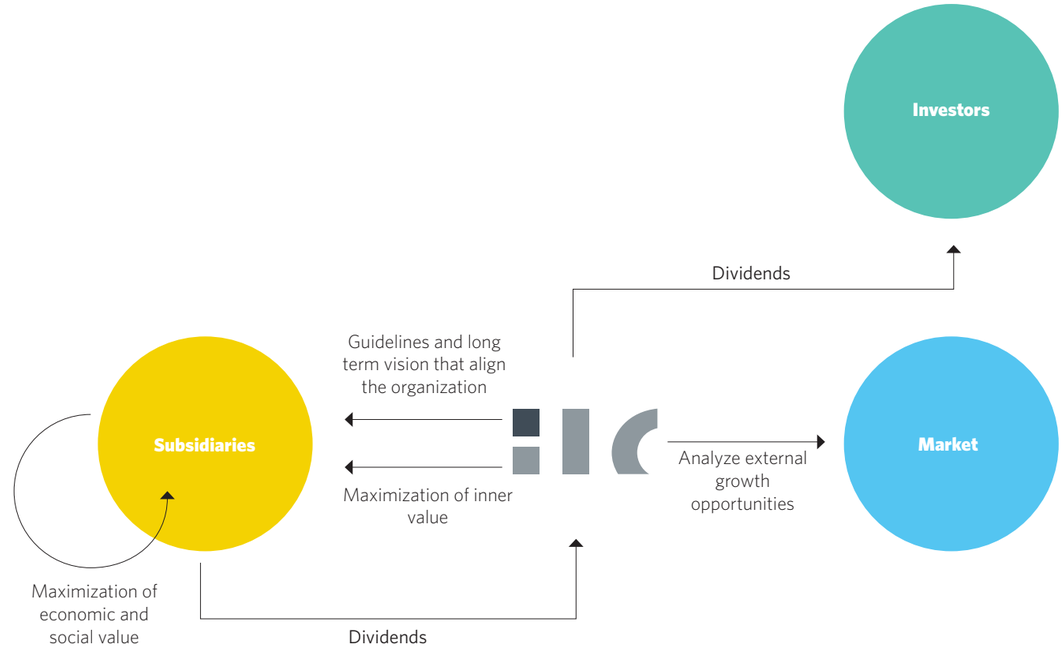
2017

- Under the new organizational structure, ILC recorded its highest-ever profit (Ch$129.4 billion), primarily thanks to its subsidiaries' performances. Structural growth at Confuturo, CorpSeguros and Banco Internacional were especially noteworthy.
- After four years in operation, AFP Habitat Peru holds 17% market share in terms of active members; leads the industry in annual returns among all managed funds; and had positive net results for the first time in its history.
- ILC supports a set of organizational culture projects. These include creating the ten principles of corporate culture; launching an organizational culture project; creating a system that seeks to reduce possible risks related to corporate governance, social and environmental issues; and relocating a large portion of subsidiaries to the new corporate building in Las Condes, Santiago.

[1]For more information on the complete history of the Company, visit: http://www.ilcinversiones.cl/English/overviewabout_ilc/default.aspx

f. Our Value Chain ILC

At ILC, our primary objective is value creation:



We support a series of internal and external initiatives to create economic and social value. We cannot conceive of maximizing profits without contributing to the welfare of each of our stakeholder groups.

The above is fundamentally done via election of subsidiary directors who share our long-term vision and guidelines with the rest of the organization. The economic value created is distributed as subsidiary dividends, which ILC then passes on to our investors.

g. Subsidiaries and Associates

AFP HABITAT
Seguridad y Confianza

Mission:

We want to improve the quality of life of our customers, by providing an excellent pension service.

Vision:

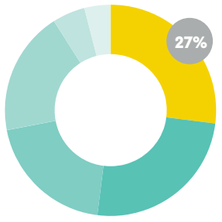
We want people in Chile to be optimistic about their retirement and appreciate the importance of saving.

AFP Habitat is a publicly held corporation formed in 1981 when the new individual pension system was introduced. ILC was a founding shareholder. After consolidating its position on the Chilean market, the company continued to grow by expanding internationally. In 2013, AFP Habitat launched operations in Peru. After winning the first two tenders, all new workers who choose the new private pension system enter the system through AFP Habitat. In order to strengthen its presence in the Latin American pension industry, ILC partnered with Prudential Financial Inc., in March 2016 to merge the multinational's best practices with Habitat's local experience in Chile and Peru.

AFP Habitat currently leads the Chilean market in assets under management with market share of 27%. Likewise, the company is the second largest in terms of contributors and members.

Assets under Management

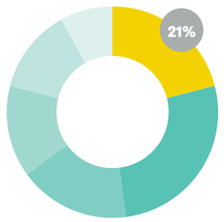
US$211 billion



- AFP Habitat: 27%
- AFP Provida: 25%
- AFP Cuprum: 20%
- AFP Capital: 19%
- AFP Modelo: 5%
- AFP Planvital: 4%

Contributors

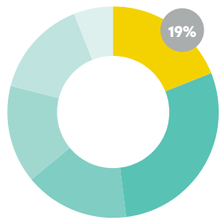
5.4 million



- AFP Habitat: 21%
- AFP Provida: 28%
- AFP Capital: 17%
- AFP Modelo: 14%
- AFP Planvital: 13%
- AFP Cuprum: 8%

Affiliates

10.4 million

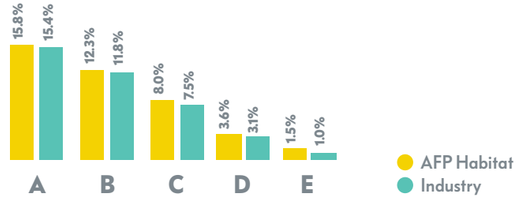


- AFP Habitat: 19%
- AFP Provida: 29%
- AFP Capital: 16%
- AFP Planvital: 15%
- AFP Modelo: 15%
- AFP Cuprum: 6%

Fx: Ch$614.75/US$. Source: Superintendency of Pensions (December 2017)

AFP Habitat also leads the market in profitability. The Company reported the highest returns among all funds managed by the industry, both in 2017 and since the creation of the funds. This has a concrete impact on future pensions.

Annual Return by Fund (2017, real terms)



Source: Superintendency of Pensions

Finally, it is important to mention Habitat's ongoing interest in contributing to the current debate regarding the retirement system. The company continued its pension education program "Hablemos de tu Futuro" (Let's Talk About Your Future) and launched the "Ponle Interés a tu Futuro" (Get Interested in your Future) campaign. Along this same line, Habitat provided the first public annual account by an AFP in Chile. Here, Habitat reported on the main fund-management and service-quality efforts and summarized the general workings of the retirement system. Habitat was also named "AFP of the Year" by Fund Pro Latin America and was included on the Dow Jones Sustainability Index Chile and Mila.

Products: AFP Habitat participates in the pension industry, which is regulated by Decree Law 3,500 in Chile. It manages retirement savings funds, which include:

- Mandatory retirement savings
- Voluntary retirement savings
- Voluntary savings
- Pension payments under scheduled and temporary withdrawal programs

Following our March 2016 partnership with Prudential Financial Inc., AFP Habitat is no longer included in our consolidated financial statements and general reporting. Consequently, this document does not make any further reference to AFP Habitat. Financial and corporate information can be found on the company's website (www.afphabitat.cl).

Mission:

Safeguard financial security for our customers throughout their life through excellent services provided by a highly competent and motivated team who always behave responsibly and ethically, while securing expected profitability for shareholders.

Vision:

To be a benchmark in the insurance market.

Confuturo (formerly Corpvida) was founded in 1989 as Compensa Compañía de Seguros de Vida S.A. Meanwhile, CorpSeguros was born of the 2009 acquisition of the ING annuities and mortgage portfolios.

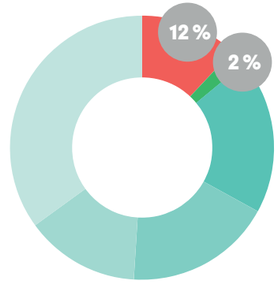
In November 2013, ILC became the controlling shareholder of both companies, thereby establishing a presence in the main retirement alternatives on the Chilean market: planned retirement (through AFP Habitat) and annuities (through Confuturo and CorpSeguros).

Placing the customer at the center of their efforts, in 2017 these companies implemented a series of measures to improve service quality. The most noteworthy include: being the second company obtaining the Free Agents certification by the Financial Market Commission (CMF), launching a customer benefits program featuring special agreements with pharmacies and other companies, developing tailored products, creating a new insurance product for retirees and launching a new CorpSeguros website.

Confuturo and CorpSeguros also managed to exceed 100,000 annuities paid each month in 2017, earning it first place in the industry. Similarly, the companies earned fourth place in gross premiums written in the annuities industry and second place in assets under management.

Annuity Premiums

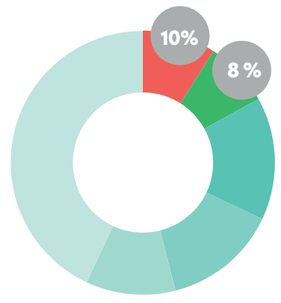
UF 92 million



- Confuturo: **12%**
- CorpSeguros: **2%**
- Penta Vida: **19%**
- Metlife: **19%**
- Consorcio: **15%**
- Others: **34%**

Annuity Policies

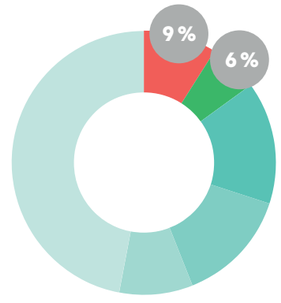
589 thousand



- Confuturo: **10%**
- CorpSeguros: **8%**
- Consorcio: **16%**
- Metlife: **15%**
- Bice Vida: **11%**
- Others: **41%**

Assets under Management

UF 1,427 million



- Confuturo: **9%**
- CorpSeguros: **6%**
- Consorcio: **17%**
- Metlife: **14%**
- Principal: **9%**
- Others: **45%**

Source: Financial Market Commission, AACh (December 2017)

Products: Confuturo and CorpSeguros distribute life insurance policies, including:

- Annuities
- Individual life insurances
- Voluntary retirement savings
- Consumer loans for pensioners
- Group life insurances

Our Dream:

To lead the corporate segment of the Chilean banking industry.

Our Common Purpose:

To create growth opportunities.

Banco Internacional was formed in 1944, when the Superintendency of Banks licensed Banco Israelita. However, it was in 2015 when ILC entered its property through the acquisition of a 50.6% stake.

ILC's purchase spurred a restructuring process that sought to align the Bank with the new identity and strategic focus, as it strives to be the best bank for companies in Chile.

In 2017, Banco Internacional welcomed more than 600 new corporate banking customers and recorded 24% growth in loans, higher than Chile's 4% industry average increase.

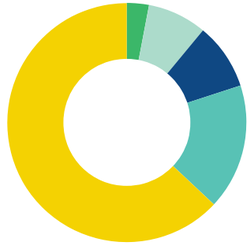
Along the same lines, Banco Internacional opened a new business center in Temuco, that aims to better serve the businesses in the area. Another important milestone in 2017 was the strengthening of strategy, promises and values set forth in the "Expedition 2018" Plan, that aligns the organization to fulfill its dream of leading the corporate banking segment in Chile.

Market Share Commercial Loans

US$ 146 billion

- Banco Internacional: **1.2 %**

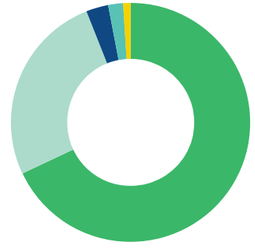
Commercial Loans by Amount of Debt



- Micro: **3%**
- Small **8%**
- Medium: **9%**
- Large: **17%**
- Mega: **62%**

Commercial Loans by Number of Clients

1.4 million



- Micro: **69%**
- Small **26%**
- Medium: **3%**
- Large: **1%**
- Mega: **0.2%**

Micro: Loans < UF 500; Small: UF 500 < Loans < UF 4.000
Medium: UF 4.000 < Loans < UF 18.000; Large: UF 18.000< Loans < UF 200.000
Large: UF 200.000 < Loans
Fx: CLP$614.75/US$. Source: Superintendency of Banks and Financial Institutions (December 2017).

Products:

- **Corporate Banking:** checking accounts, lines of credit, financing, state guarantees, foreign trade, leasing, factoring, investments, cash management, treasury, among others.
- **Retail Banking:** : checking accounts, lines of credit, mortgages, investments, time deposits, among others.

Mission:

Help people live longer and better with comprehensive medical and dental care focused on the patient and their families. Our commitment is to provide a wide range of services, to high quality standards, in accordance with the principles and values of the Chilean Chamber of Construction.

Vision:

A national benchmark for private medical and dental healthcare, recognized for its wide range of services, its prestige, its excellent working environment and its capacity to respond to the healthcare needs of a large part of the population.

Red Salud was incorporated in April 2008, with the objective of developing a national network of healthcare providers. From 2008-2015, Red Salud's efforts were focused on implementing and launching a significant expansion plan that included new hospitals and medical centers throughout Chile.

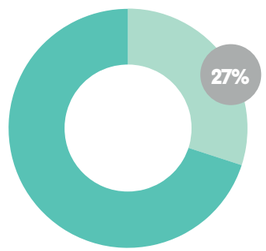
The year 2015 marked the beginning of a series of changes to Red Salud's objectives. New strategy brought significant organizational restructuring to support a demanding work plan focused on operational excellence.

Red Salud is currently implementing this strategic plan as it seeks to become Chile's leading private healthcare provider. The organization is reviewing processes, harnessing synergies, streamlining functions, encouraging internal referrals and consolidating the role of the corporate team, along with other initiatives.

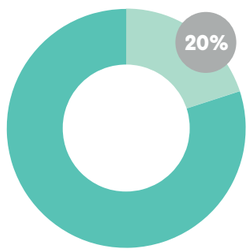
All these efforts were reflected in the 2017 milestones, including redefining the Red Salud brand with sights on 2020. New corporate values were established for the organization: quality, fair price, personal warmth and availability. Finally, in terms of service, the Mayor and Avansalud hospitals saw the addition of 20 and 25 beds, respectively, as well as new equipment and improvements to outpatient care were implemented through the network.

Red Salud is currently Chile's second largest private healthcare provider in terms of infrastructure with 30 medical centers throughout Chile, three hospitals in the Metropolitan Region and six outside Santiago in Iquique, La Serena, Rancagua, Valparaíso, Temuco and Punta Arenas. This infrastructure offered in 2017 a total of 3.4 million doctor's appointments, 6.2 million medical exams and more than 80,000 operations, making Red Salud one of the country's largest private healthcare providers.

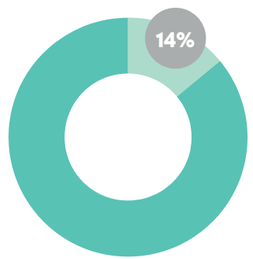
Market Share Private Medical Consultations



Market Share Private Surgeries



Market Share Private Beds Days Occupied



Source: Clínicas de Chile (December 2017)

Aspiration:

To be the best health insurance provider (Isapre), helping policyholders access effective health solutions.

Vision:

Contribute to the social welfare of the country by providing people with access to high quality and prompt healthcare solutions.

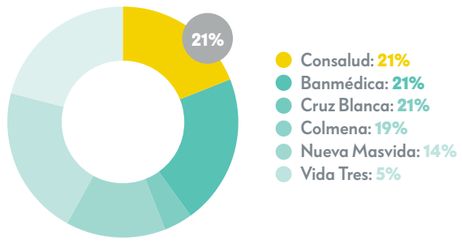
Consalud began in 1983 as a private health corporation that provided medical care. Between 1984 and 1998, Isapre Consalud became a first-class private health network, and installed the latest infrastructure at 33 medical and dental centers throughout Chile.

In 2000, Isapre Consalud was divided into three areas: health insurance, hospital outpatient healthcare, and support and investment. Consequently, Consalud became a health insurance provider dedicated exclusively to providing private health plans. In 2017, Isapre Consalud began a process of cultural change that included campaigns on eight principles and strategic pillars. The company developed the General Customer Service Model based on specialized guidance. It implemented the Consalud Móvil service along with a series of initiatives to optimize online platforms. The "Consalud Guides You" initiative continued with more than 1.1 million beneficiary advising sessions in 2017. Consalud was the first health insurance provider in Chile to train its executives how to communicate using sign language. It promotes inclusion with this and other similar specific measures. Consalud has continued to actively manage its products during this change process, in order to provide plans and supplementary policies tailored to the population's needs.

In 2017, Consalud sold 85,000 health plans, making it one of the industry's leading health insurance providers. Currently, it is the third largest Isapre in terms of beneficiaries and the second largest by number of policyholders.

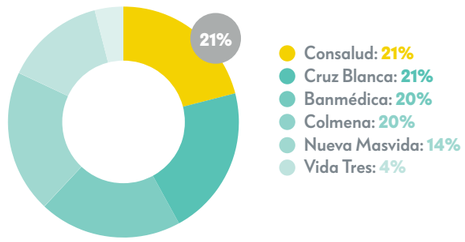
Beneficiaries

3.3 million people



Contributors

1.9 million people



Source: Superintendency of Health (December 2017)

Products:

Consalud supplies health insurance solutions, providing plans and supplementary policies that improve protection for its policyholders, through:

- **Plans:** free choice, sigle provider and preferred provider plans.
- **Supplementary:** obtaining stem cells, sports protection, surgery in Santiago, dental coverage, healthcare coverage when unemployed, protected child, free choice catastrophic coverage, telephone doctor, protected family, click doctor, prescription drug coverage, travel assistance.

VIDA CÁMARA
SOMOS CChC

Mission:

To support our customers with expert health and life insurance protection, delivering simple, transparent solutions through a committed and approachable team.

Vision:

To be the best Company, so people can live better lives.

In 2009, ILC acquired the Chilean subsidiary of RBS Seguros de Vida S.A., giving rise to Compañía de Seguros Vida Cámara S.A. In 2012, Vida Cámara entered the group life and catastrophic insurance markets using highly reliable predictive simulation models.

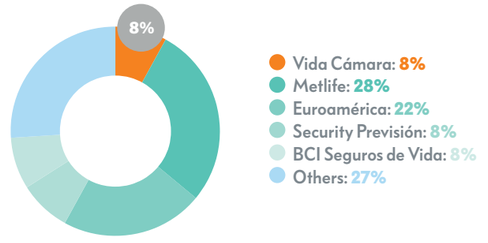
In 2016, Vida Cámara redefined its strategy to focus primarily on group life and health insurances. The change involved renewing and expanding its range of plans and modernizing its services for companies and policyholders. This also spurred important organizational restructuring.

In 2017, Vida Cámara implemented the "2017-2020 Strategic Plan", which aims to make the company a top-three player in the group health and life insurance market. This new road map is based on three themes: growing the customer portfolio through a strong commercial drive; renewing leadership style and introducing a new culture; and focusing on and carefully managing the health insurance business performance. In commercial terms, in 2017 new reimbursement channels were added and the payment process was streamlined through agreements with banking institutions; new partnerships were established with clinical providers and pharmacies; and five Vida Cámara regional offices were remodeled.

Today, Vida Cámara is one of the leading health and life insurance companies in Chile. In 2017, the company sold UF 1.5 million in premiums, making it fifth in the industry.

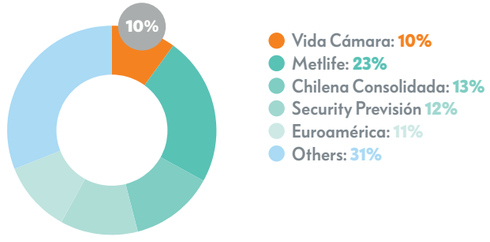
Collective Health Insurance Beneficiaries

3.6 million



Collective Health Insurance Premiums

UF 15.0 million



Source: Financial Market Commission, AACh

Products:

- Group health insurances
- Life insurances
- Personal accidents insurances (disability)

h. 2017 Highlights And Awards For ILC

- Our Company recorded its highest ever profit of Ch$129.4 billion in 2017, enabling us to maintain a strong capital base that is consistent with a long-term operating model.

- ILC directly acquired Vida Cámara Perú, a subsidiary that sells disability, survivor and funeral expenses insurances in that country with an investment of US$22 million. Consequently, Vida Cámara Chile focuses primarily on selling supplementary health and life insurances.

- The year 2017 was also important in terms of ILC's organizational culture. We elaborated and promoted ten principles of corporate culture during the year, launched an organizational culture project, and implemented a system that reduces the corporate governance, social and environmental risks facing each company. This was reinforced by the transfer of most of our subsidiaries to our new corporate building.

- ILC earned first place in the holding category for the Active Transparency Award given by the consulting firm Inteligencia de Negocios. The distinction recognizes the quality of information made available to the public through its website and corporate documentation. Similarly, Institutional Investor, an international organization, named our Company the best non-banking institution in the financial sector (LATAM small caps) in recognition of our Investor Relations Department.

i. Relationship With CChC[2]

In 1951, a group of professionals and entrepreneurs in the construction industry decided to join forces and form a trade association that represented the sector before authorities and the community. Thus, the Chilean Chamber of Construction (CChC) was born, with a strong sense of social purpose and focus on contributing to the welfare and future of workers in this sector. This initiative gradually began to take hold and the organization began to specialize. Thus, in 1980 it launched ILC, CChC's investment company.

The Company's current structure means that 67% of ILC's dividends are paid to the CChC, while the remaining 33% is distributed among the other shareholders. The Chamber manages this percentage, transferring part of its profit directly to CChC Social, to be invested in social projects that primarily benefit construction workers and their families. This process is regulated and sets the percentage of profit to be spent on social investment projects. Meanwhile, the remaining profit is held in an endowment that earns interest to provide long-term funding for the Chamber.

CChC Social strengthens organizations working for CChC member companies, and ensures that by purchasing their services and running social projects in those companies, they comply with their commitment to improve the quality of life of their workers and their families.

Several programs were carried out in 2017, organized into four principal areas: health, housing, training and welfare. Total program investment was US$19.3 million, funding more than 260,000 instances of aide.

[2] For additional information on CChC, see the chapter on Generating Social Value.

03.
Vision of Sustainability

ILC Vision of Sustainability

G4-1, G4-2, G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-24, G4-25, G4-26, G4-27, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33, G4-48

At ILC, we have challenged ourselves to contribute to sustainable development, generating value and welfare for each of our stakeholder groups, as well as society and the countries where we operate.

We are aware of the responsibility derived from participating in regulated sectors with tremendous social and economic significance, where we represent our shareholders and our Controlling Group. Thus, we believe sustainability is the key to maintaining a long-term vision and responsibly meeting our current and future commitments.

Between 2012 and 2016, we concentrated on defining our organizational structure at ILC. Once this stage was complete, we began consolidating our corporate culture and values throughout the entire organization. In 2016, we took an important step in that direction drafting "Ten Principles that Guide our Actions". In 2017, we continued the Organizational Culture Project led by the external consulting firm Virtus. The main advances include surveying each of our subsidiaries' values, which formed the basis for a diagnostic and work on a cultural concept that applies to all subsidiaries. In 2017, we began applying the ESG Compass[3] platform. Developed by Yale University, the software surveys different stakeholders to reduce potential strategic risks related to poor practices, thereby facilitating action in corporate governance, social and environmental issues.

At ILC, we have challenged ourselves to apply the ESG Compass surveys at all our subsidiaries as of July 2018. With the first report we will be able to identify risk priorities and focal points for improvement; manage results and elicit commitments for follow-up at the ILC level as well as each subsidiary.

[3] For more information regarding ESG Compass visit: http://esgcompass.com

a. About This Report

This is ILC's sixth Sustainability Report, prepared in accordance with Global Reporting Initiative (GRI), G4 standard core option.

The content focuses on the performance of ILC and its subsidiaries in Chile between January 1 and December 31, 2017; however, some chapters include information on operations in Peru (AFP Habitat Perú and Vida Cámara Perú).

This report has not been verified by an external third party.

b. Stakeholders

Maintaining a close, fluid relationship with each of our stakeholders is of great importance at ILC. Thus, the Company and our subsidiaries identify material issues and priorities for the different groups in order to generate value and transfer it to them.

1 Customers

At ILC we provide services that directly impact our customers and their families. This challenges us to do an increasingly better job. Our subsidiaries relate to their customers in different ways, including in person and via digital platforms.

We Strive to Improve our Customers' Quality of Life

With the aim of improving the relationship with our costumers, through greater proximity and knowledge of their needs, in 2017 we worked on improving the level and quality of information together with customer experience, through a differentiating service.

2 Employees

At ILC, we strive to optimize our work teams and our relationship with them by providing opportunities to improve the quality of work life, organizational climate, training and career development.

We Support our Employees' Personal and Professional Development

3 Investors

The ILC Investor Relations Department is responsible for maintaining ongoing and open communication with the market. It is responsible for reporting on the business's operations, performance and primary risks.

We aim to Build Close and Open Relationships

Consequently, there is an open-door policy for the financial community. In addition to organizing large-scale events like Investor Day, where ILC presents its strategy and main challenges at the corporate and subsidiary levels, the Company participates in a series of conferences in Chile and abroad. Our new website, launched in 2017, also contains documents and public information including quarterly reports, corporate presentations, annual financial reports, sustainability reports and an events calendar, among other documents.

4 State, Authorities and Regulatory Entities

ILC participates in highly regulated industries; however, the Company has decided to go above and beyond, applying a strict self-regulation criteria. Registered with the Financial Market Commission in 2011 and initially offered on the stock market in 2012, the Company is subject to regulations and best practices imposed by domestic and international markets.

Exceeding Legal and Regulatory Standards is Essential to Our Operations

Most of our businesses are regulated by the Financial Market Commission, together with the Superintendencies of Social Security, Pensions, Health and Banks, which apply their own standards to ensure transparent and timely market regulation, while focusing on managing different types of risk.

Regulatory Entities, by Subsidiary

ILC	confuturo / CORPSEGUROS	Banco Internacional	REDSALUD	consalud	VIDACÁMARA
► Financial Market Commission (CMF) ► Internal Revenue Service (SII)	► Financial Market Commission (CMF) ► Internal Revenue Service (SII) ► National Consumer Service (SERNAC) ► Social Security Superintendency	► Bank Superintendency (SBIF) ► Internal Revenue Service (SII) ► National Consumer Service (SERNAC) ► Central Bank of Chile	► Health Superintendency ► Financial Market Commission (CMF) ► Internal Revenue Service (SII) ► National Consumer Service (SERNAC)	► Health Superintendency ► Internal Revenue Service (SII) ► National Consumer Service (SERNAC) ► Social Security Superintendency	► Financial Market Commission (CMF) ► Internal Revenue Service (SII) ► National Consumer Service (SERNAC)

c. Priority Issues

Material or priority issues are those with significant impact on our business performance. As such, they play an important role in the Company's decision making.

c.1. Definition

ILC conducts a materiality analysis every two years, which is validated annually during the elaboration of our Sustainability Report. Thus, in 2017 we reviewed the analysis performed in 2016.

As a result, and as validated by senior management, we added "Adaptation to the Environment" to the Regulatory Compliance issue. Participation in highly regulated industries demands adaptation to different regulations as well as potential modifications. We must also remain flexible in order to meet our customers' needs and expectations. On the other hand, "Community Relations" is no longer a priority issue because Red Salud is the only subsidiary with real impact on the communities where it operates. Finally, we added "Environment" because despite not having significant operating facilities, we aim to create a culture of respect for the environment, promoting efficient use of energy and resources to help fight global warming.

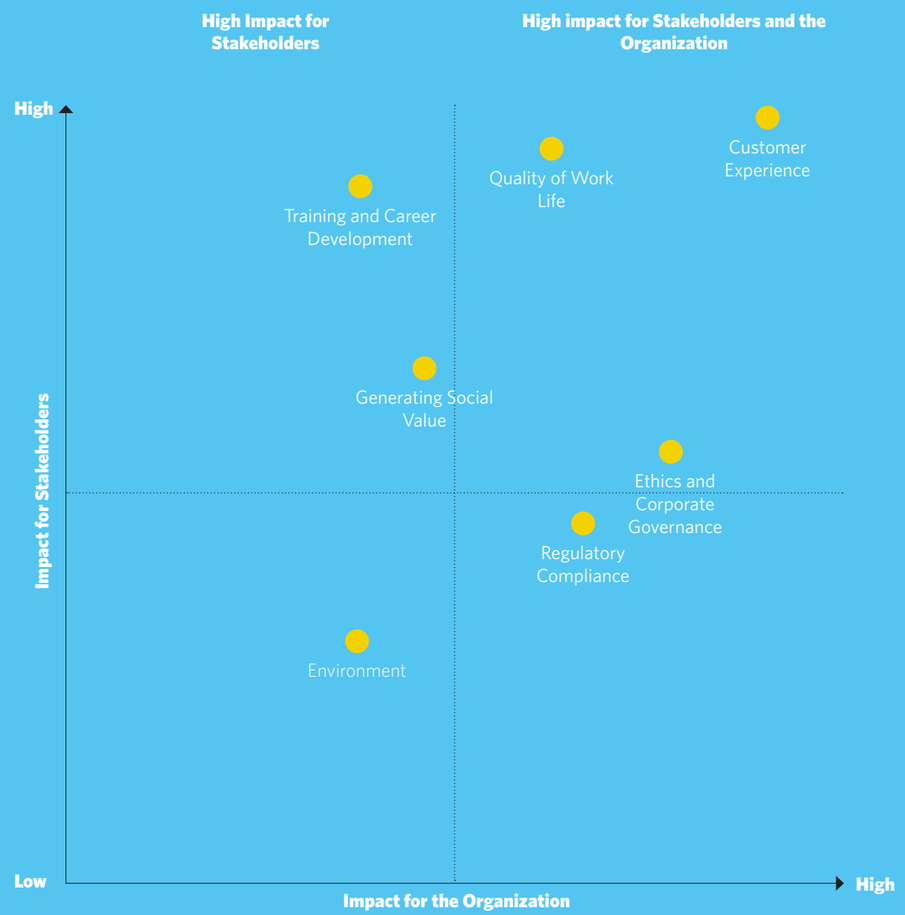
Primary[4] and secondary[5] sources were used to identify priority issues:

Material Issues	Impact Within the Organization	Impact Outside the Organization
Customer Experience	X	X
Ethics and Corporate Governance	X	X
Quality of Work Life	X	
Generating Social Value	X	X
Regulatory Compliance	X	
Training and Career Development	X	
Environment	X	X

[4] Interviews with ILC's senior management, 5,642 customer surveys, 1,352 employee surveys, interviews with regulatory bodies (specifically, the Superintendency of Pensions).
[5] Comparative analysis of the industry's material aspects at the national and international level, press analysis, review and analysis of studies and internal documents.

c.2. Prioritization

Material issues were prioritized using the materiality matrix:



c.3. Validation

Senior management validated the matrix based on of the 2016 materiality analysis.

d. Description of Material Issues

Topic	Vision	Motivation	Chapter/Page
Customer Experience	We seek to improve quality of life for our customers, providing excellent service, a close relationship and specialized advisory services.	Our customers are the core of what we do.	7. Customers/Page 76
Ethics And Corporate Governance	We seek to create value responsibly and consistently over the long term.	Due to the nature of the industries where we participate, our operations require a strong sense of ethics and rigorous measures of corporate governance.	4. Corporate Governance/Page 44
Quality of Work Life	We promote fluid and direct working relationships that positively impact our employees' personal and professional development.	We safeguard the working environment so that employees feel comfortable, supported, challenged and committed to doing excellent work.	8. Employees/Page 88
Generating Social Value	We seek to earn profits in order to fulfill the social role implicit in our businesses (health, pensions and financial services) and to fund social initiatives that directly impact the country's welfare.	To contribute to the social welfare of the countries where we operate.	6. Generating Social Value/Page 70
Regulatory Compliance	We comply with current regulations in the industries where we participate and take responsibility for our fiduciary role. We actively participate in public debate and promote collaboration and teamwork with regulatory bodies and authorities.	Because we operate in regulated industries, upholding current legal standards is an inherent part of our operations.	4. Corporate Governance/Page 60
Training and Career Development	We value meritocracy and provide training tools that fully develop employee potential.	To have teams that are highly trained to fulfill their role; to enable our employees to grow personally and professionally.	8. Employees/Page 88
The Environment	We seek to raise environmental awareness at our companies in order to manage and mitigate negative impacts of our operations.	Along with contributing to the environment, we seek to make operations eco-efficient.	9. Environment/Page 108

04.
Corporate Governance

Corporate Governance

G4-1, G4-16, G4-34, G4-38, G4-39, G4-41, G4-43, G4-45, G4-47, G4-49, G4-56, G4-57, G4-58, G4-S04

I. Corporate Governance

ILC provides long-term services that are key to the country's development. Thus, enduring the test of time and generating sustainable value is not a only challenge, but an unwavering commitment to each of our stakeholders.

To fulfill it, ILC has a corporate governance structure that enables us to apply and implement the guidelines and objectives set by the Board at each of our subsidiaries, contributing to sustainable development and generating value and welfare for each of our stakeholders.

Our corporate governance is determined by our bylaws, Law 18,046 on Corporations, the Corporate regulations in Supreme Decree 702 dated 2011, and Law 18,045 on the Securities Market. The Company is supervised by the Securities Inspectorate, which reports to the Financial Market Commission.

II.Board Structure and Responsibilities

Our mission, vision and objectives—the basis for our economic and social performance—are established and led by the Board of Directors, which communicates the responsibilities, tools and corporate culture through management and subsidiary boards.

In accordance with the Company's bylaws, the highest body of Corporate Governance is the Board of Directors, which is comprised of seven members elected annually at the annual general shareholders' meeting. Beginning in 2017, ILC has two independent directors[6].

Finally, in accordance with CMF General Character Standard No. 385, board members are elected by the shareholders. Consequently, the Company has no involvement whatsoever in their nomination.

[6] According to the Law on Corporations (No. 18,046), the defining characteristic of an independent director is a lack of ties to the company, its parent, other group companies or senior executives at any of the above.

a. Main Duties and Characteristics of the ILC Board of Directors

- The main duties of the Board are to set the objectives, policies and strategy that must be implemented by management. To do so, the directors meet monthly to analyze Company performance, its risks, strategy and medium and long-term plans.
- ILC is directed by a seven-member board, elected annually for one-year term at the general shareholders' meeting, in accordance with Company bylaws. The members of the Board elect a chairman for the same period, who may be re-elected for a second straight year.
- ILC does not request minimum attendance from its directors. In 2017, the directors averaged 92.3% attendance at the thirteen meetings held during the period.
- ILC does not restrict the number of boards on which its directors can participate.
- Members of ILC's Board may participate as guests at subsidiary board meetings in order to acquire a detailed understanding of the strategy and issues at each ILC subsidiary.

b. Members

At the 2017 annual general shareholders' meeting, seven board members were elected, two of whom were independent.[7] As of December 31, 2017, board members were:

1 Sergio Torretti C. / *Chairman*[8]

Mr. Torretti holds a degree in accounting from Instituto Comercial Superior.

2 Jorge Mas F. / *Vice Chairman*

Mr. Mas holds a degree in civil engineering from Universidad de Chile.

3 Gastón Escala A. / *Director*

Mr. Escala holds a degree in civil engineering from Pontificia Universidad Católica de Chile.

4 Luis Nario M. / *Director*

Mr. Nario holds a degree in civil engineering from Universidad de Chile and a graduate degree in construction from CHEBAP in Paris.

5 Daniel Hurtado P. / *Director*

Mr. Hurtado holds a degree in civil construction from Pontificia Universidad Católica de Chile.

6 René Cortázar S. / *Independent Director*

Mr. Cortázar holds a degree in business administration from Pontificia Universidad Católica de Chile and a PhD in Economics from the Massachusetts Institute of Technology (MIT), USA.

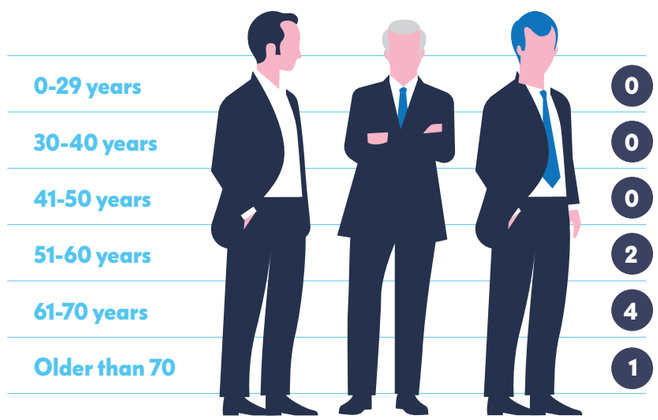
7 Fernando Coloma C. / *Independent Director*

Mr. Coloma holds a degree in business administration from Pontificia Universidad Católica de Chile and a Master's in Economics from the University of Chicago.

[7] ILC Board member biographies are available at:http://www.ilcinversiones.cl/Spanish/gobierno-corporativo-y-rse/directorio/default.aspx
[8] The chairman of the board does not hold any executive positions within the organization.

c. Board Composition

- **Men:** 7 / **Women:** 0
- **Chilean:** 7 / / **Foreigners:** 0
- **Independent Directors:** 2 / **Non-Independent Directors:** 5
- **Age of Directors:**



The average time of service on the Board is 4.1 years

d. Committees

Directors' Committee

The main purpose of this Committee is to ensure the Company adopts the best corporate governance practices.

It is worth noting that ILC Directors' Committee is chaired and comprised primarily by independent directors (two of three members), in order to safeguard the interests and opinions of minority shareholders.

The main duties of this Committee are to:

- Review and respond to external and internal audit reports prior to their submission to the Board for approval.
- Propose risk rating agencies and external auditors to the Board of Directors.
- Examine the background information on the related-party transactions referred to in Section XVI and present its opinion to the Board.
- Examine the remuneration and compensation plans for Company managers, senior executives and employees.
- Prepare an annual management report with recommendations for shareholders.

Members: René Cortázar S. (Chairman, Independent), Fernando Coloma C. (Independent) and Gastón Escala A.

Investment Committee

ILC has an Investment Committee due to the importance of the investments that it manages. Its purpose is to monitor correct compliance with ILC's investment policy, while securing sufficient agility when making investment decisions.

Members: Daniel Hurtado P. (Chairman), Luis Nario M., and other Company executives.

e. Compensation

At the ILC annual general shareholders' meeting, shareholders approved the following director compensation for 2017:

- **Directors:** UF20 per meeting attended + 0.05% of annual profits
- **Vice Chairman:** UF30 per meeting attended + 0.075% of annual profits
- **Chairman:** UF40 per meeting attended + 0.1% of annual profits

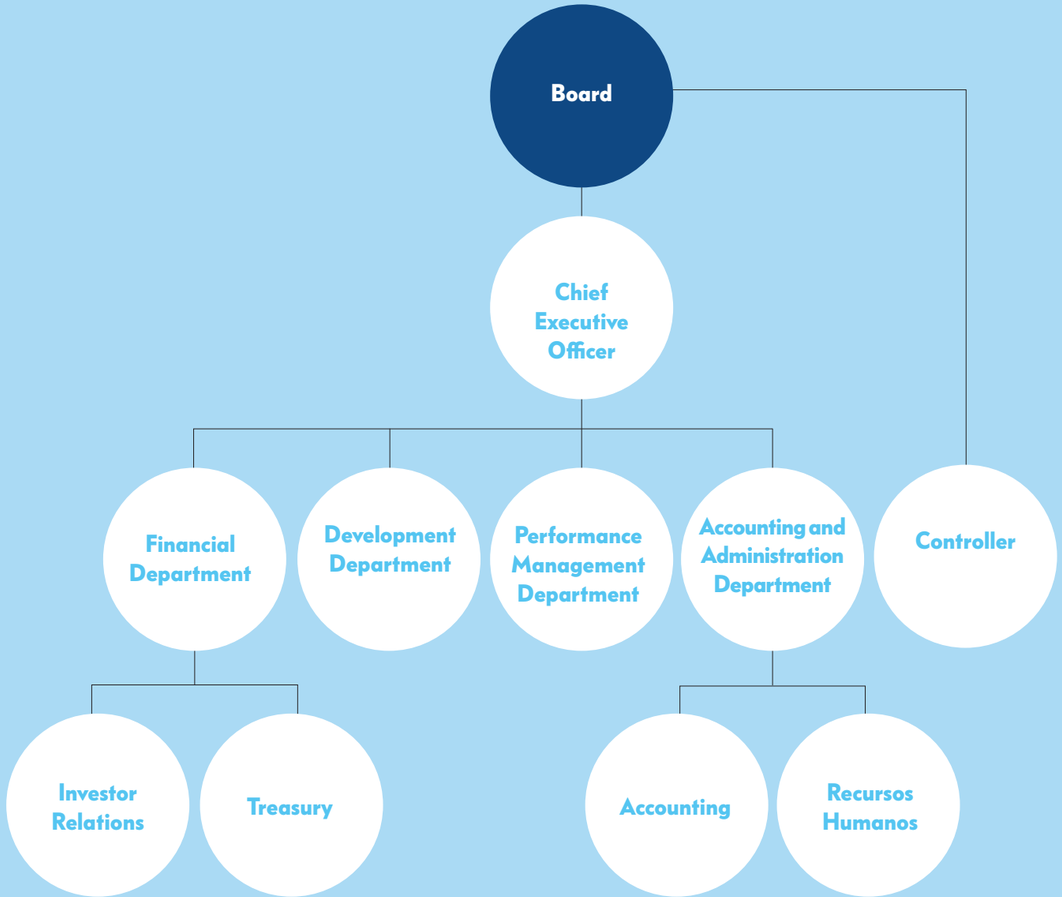
This compensation will be paid in proportion to the length of time that the director has been in office.

In 2017 and 2016, Ch$51,058 thousand and Ch$53,866 thousand in compensation was paid to ILC board members, respectively. Profit sharing for 2017 and 2016 totaled Ch$607,334 thousand, and Ch$380,530 thousand, respectively.

III. ILC's Management

ILC's management safeguards the organization and administration of the Company's resources, implementing a medium- and long-term strategic plan set forth by the Board of Directors.

ILC's functional organizational structure is aligned with our lines of business and activities:



It is important to note that ILC controls subsidiaries and affiliates through their respective boards, not through a matrix structure.

The members and profile of ILC's senior management are described below[9]:

1 Pablo González F. /
Chief Executive Officer

Mr. González has a degree in business administration from Pontificia Universidad Católica de Chile and an MBA from University of Notre Dame, USA.

2 David Gallagher B. /
Chief Development Officer

Mr. Gallagher holds a degree in business administration from Pontificia Universidad Católica de Chile and an MBA from the Wharton School of Business at the University of Pennsylvania, USA.

3 Ignacio González R. /
Chief Financial Officer

Mr. González has a degree in business administration from Universidad de Chile and an MBA from IE Business School, Spain.

4 Juan Pablo Undurraga C. /
Chief Performance Management Officer

Mr. Undurraga holds a degree in civil engineering from Pontificia Universidad Católica de Chile and an MBA from University of Michigan, USA.

5 Robinson Peña G. /
Chief Accounting and Administration Officer

Mr. Peña has a degree in accounting from Universidad Católica del Norte and a Postgraduate Diploma in Business Administration from Universidad Adolfo Ibáñez.

6 Andrés Gallo P. /
Controller

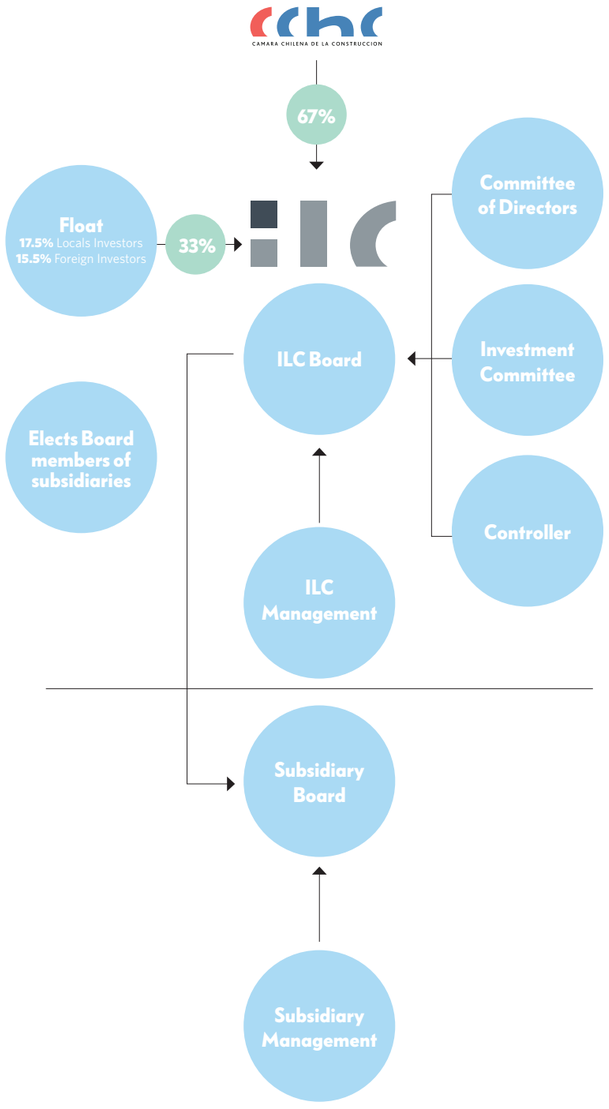
Mr. Gallo holds a degree in business administration from Pontificia Universidad Católica de Chile.

[9] Senior management biographies are available at: http://www.ilcinversiones.cl/English/overview/senior_management/default.aspx.

IV. Subsidiary Corporate Governance

Our subsidiaries operate according to guidelines from their respective shareholder-elected boards of directors, as well as the specific committees required for their industry, size and regulations.

In other words, ILC provides general guidelines through their respective directors so that each subsidiary manages its operations independently.



a. Committees by Subsidiary

Our subsidiaries have the following committees:

Confuturo and CorpSeguros

- Governance and Strategic Development Committee
- Audit Committee
- Human Capital Committee
- Investment Committee
- Technical Committee

Banco Internacional

- Audit Committee
- Business Committee
- Risk and Credit Monitoring Committee
- Operational Risk, Business Continuity and Information Security Committee
- Asset-Liability Committee
- Strategic Planning Meeting
- Anti-Money Laundering and Anti-Terrorism Finance Prevention Committee

Red Salud

- Audit and Finance Committee
- Medical Committee
- Investment Committee
- Commercial Committee

Consalud

- Risk Committee
- Audit Committee
- Commercial Committee
- People and Compensation Committee

Vida Cámara

- Audit and Risk Committee
- Commercial Committee
- Investment Committee

V. Corporate Governance Standards

ILC and our subsidiaries have adopted the values of transparency and honesty, which have historically guided our controlling shareholder, the Chilean Chamber of Construction. Therefore, the Company strives to keep the general public informed as best it can, upholding demanding ethical standards referred to in the various regulations that govern us.

Our Company has several formal tools to strengthen and promote our Corporate Governance functions. The most important are:

- **Code of Conduct and Ethics:** Its purpose is to publicize the principles that guide the behavior of our directors, executives and employees when carrying out their daily functions, under the concepts of professionalism, trust, integrity and responsibility. This code is public and can be found on the ILC website.

- **Manual for Managing Market Sensitive Information:** Its purpose is to protect investor interests related to ILC securities transactions performed by certain people with ties to the Company and manage market information disclosures. It secures equal access and use of the public information, and thus preserves the confidence and transparency the market requires in order to invest in ILC securities. This manual is public and can be found on the ILC website.

- **Crime Prevention Model:** Its purpose is to protect the Company from the crimes of money laundering, terrorism financing, receiving stolen goods and bribery. It is important to note that the ILC Crime Prevention Model was certified in 2014 and re-certified in 2016. Certification is valid for two years during which the certifying company provides constant monitoring.

- **General Policy for Routine Transactions between Related Parties within ILC:** Its purpose is to ensure that transactions between persons or companies related to ILC contribute to the business, and that the price, and terms and conditions are equivalent to those prevailing in the market. This policy is public and can be found on our website.

- **Internal Order, Hygiene and Safety Regulation:** It aims to establish the general regulations regarding the obligations and prohibitions applicable to ILC employees while on Company premises. It establishes selection procedures for employee recruitment and is legally required to establish the procedure for investigating complaints, among other matters. This manual is given to every employee when they start working for ILC.

- **Ethics Hotline:** Its purpose is to receive complaints from staff, investors, suppliers, customers or any other person, regarding any irregularities or illegal acts committed by an ILC employee. It is available to the public and located on our website. Every complaint is processed with the utmost confidentiality.

- **Good Corporate Governance Policies and General Procedures Manual:** Prepared and approved by the Board of Directors in 2016, is a component of the corporate governance structured. It defines our Company's policies, standards and procedures, formalizes the policies adopted by the Board under the "best practice" concept, and defines the role of the Board and management in relation to best practices. The manual includes sections covering: the orientation process for new Board members, the procurement of specialists by the Board, risk management, access to information by the Board, information for investors and the market, corporate social responsibility and sustainable development, salary structures, and corporate governance policies at subsidiaries.

- **Internal Audits:** ILC performs internal audits on its subsidiaries. These are performed by third parties and their purpose is to understand, manage and monitor the processes carried out by each subsidiary. Generally, these audits are submitted to the Directors' Committee for subsequent submission to the ILC Board.

- **Corporate Governance Questionnaires for Subsidiaries:** ILC sends an annual corporate governance questionnaire to each subsidiary's chairman. This tool provides a diagnosis of their practices, strengthens any weaknesses detected, and standardizes evaluation criteria.

- **Office of the Controller:** The ILC Office of the Controller ensures that management processes function properly. The Controller reports to the Board and participates on the Directors' Committee for ILC and each subsidiary, always ensuring that every process functions correctly. Furthermore, the office has a fundamental role in monitoring the risk matrix indicators, and it prepares policies and performs internal audits in order to reduce potential threats.

- **Performance Management Department:** Overseen by the CEO, this department monitors the Company's operations in order to measure financial indicators and ascertain the impact of strategic plans and decisions established by the Board and management.

- **Investor Relations Department:** This department's main task is to communicate with the market and report business progress, risks and any financial and legal issues at the Company, while ensuring that information is consistent. Therefore, the Company publishes various reports, and operates an open-door policy for anyone requiring information about ILC, both in Chile and abroad.

a. Code of Conduct and Ethics

At ILC we are committed to integrity and ethics in our operations. This is vital to preserving a dignified working environment and keeping the trust of our investors, customers and other stakeholders.

The Code of Conduct and Ethics[10] commits the Company to honesty and integrity in its transactions and communications with investors and customers. The Code of Conduct and Ethics sets forth standards on individual and peer responsibility as well as the responsibilities of employees, customers, suppliers, investors and other stakeholders. These include compliance with laws, regulations and standards that promote:

- Protection of confidential information about the Company
- Protection and proper use of ILC assets
- Treatment of ILC employees, customers and suppliers
- Promotion of exact, timely and comprehensible disclosures in financial reports and other public communications
- Incentives to report any illicit or unethical behavior
- Regulation of employee actions in order to prevent conflicts of interest
- Regulations regarding customers that are public officials in order to prevent conflicts of interest or bribery

All ILC employees receive the Code of Conduct and Ethics upon joining the Company. Employees sign it after an orientation on ethics and Law 20,393 on Criminal Liability for Legal Entities for the crimes of money laundering, terrorism financing, receiving stolen goods and bribery. Furthermore, annual trainings for all ILC personnel address ethics, conduct and other issues related to Law 20,393.

[10] The ILC Code of Conduct and Ethics is available at: http://s21.q4cdn.com/417792851/files/doc_downloads/gov_docs/ILC_Code_Conduct_Ethics.pdf

b. Reporting Violations

All ILC employees must report to their superior, or through the established complaint channels, any conduct that they believe, in good faith, constitutes a violation of the law, the Code of Ethics or the Crime Prevention Model (CPM).

Complaints can be filed via:

- E-mail or in writing to the Head of Crime Prevention[11]
- Written communication to the Ethics Committee[12]
- In 2017, ILC opened a public and confidential channel for complaints on its website, which can be used to report illicit acts or actions in bad faith by one of the Company's employees. (http://www.ilcinversiones.cl/English/contact/ethics_hotline/default.aspx)

In 2017, ILC did not receive any reports of Code of Conduct violations and/or situations resulting in fines by regulatory entities.

c. Crime Prevention Model

The ILC Crime Prevention Model seeks to protect the Company from the crimes of money laundering, terrorism financing, receiving stolen property and bribery (Law 20,393).

The Company has been certified in the implementation of this Model in 2014 and was recertified by BH Compliance[13] in 2016.

Furthermore, all new hires receive training on Law 20,393 and all employees are retrained annually. As part of the Crime Prevention Model, ILC also requests that its main suppliers sign an annex to their contracts affirming compliance with this Law

d. Employee Relations Policy

ILC respects and promotes human rights. Our organization is committed to implementing responsible labor practices throughout the organization and in all aspects of the business.

The ILC Employee Relations Policy and the Code of Conduct and Ethics reflect our commitment to fair and equitable treatment of all people. According to the code, "every ILC employee is empowered to exercise and enforce his or her basic human rights and may not be subjected to physical or mental suffering in their workplaces." The document also establishes that "no employee may be discriminated against arbitrarily or for any motive not based on objective reasons. Consequently, discrimination on the basis of age, race, gender, religion, sexual orientation, marital status or maternity, political stance, ethnic background or union membership is prohibited."

The ILC Employee Relations Policy (Human Rights) available on our website was drafted in 2017, and approved by the Board of Directors in 2018.

[11] Complaints can be e-mailed to: denuncias@ilcinversiones.cl
[12] The Ethics Committee acts only in extraordinary cases, i.e., in the face of an ethical violation. Reporting directly to the Directors' Committee, it is comprised of the Chief Executive Officer and the Controller.
[13] The BH Compliance certificate is available at: http://s21.q4cdn.com/417792851/files/doc_downloads/gov_docs/certificado.pdf

VI. Associations

At ILC we participate in different associations related to the industries in which we operate. In doing so, we seek to support and contribute our vision and knowledge to the development of these areas.

Industry Associations Through Subsidiaries 2017
Chilean Insurers Association (through Confuturo, CorpSeguros and Vida Cámara)
Association of Banks and Financial Institutions, ASBIF (through Banco Internacional)
Chilean Hospital Association (through Red Salud)
Isapre Association (through Consalud)

Our subsidiaries' participation in the aforementioned organizations involve annual donations of Ch$966,538 thousand in 2017.

The following is a list of the largest donations made by our subsidiaries in 2017:

Organization	Type of Organization	2017 Contribution (Ch$ th)
Superintendency of Banks and Financial Institutions* (Banco Internacional)	Regulator	389,136
Isapre Association (Consalud)	Industry Association	233,000
Chilean Insurers Association (Confuturo)	Industry Association	121,566
Private Hospital Association (Red Salud)	Industry Association	108,726
Chilean Insurers Association (CorpSeguros)	Industry Association	49.341

*The SBIF is not state-owned entity, thus, is funded by the banks themselves.

VII. Contributions

a. Political Contributions

In accordance with internal standards and regulations, ILC did not contribute to political campaigns, political organizations, lobby organizations, lobbyists and/or tax-exempt groups with political influence in 2017.

Furthermore, ILC has no record of political contributions or donations as bribery and corruption.

Today, ILC's Manual of General Policies on Good Corporate Governance contains a standard on Political Contributions.

VIII. Crisis and Risk Management Culture

ILC's participation in the pension, insurance, bank and health industries is decentralized. Each subsidiary's decisions are analyzed and implemented by its management and Board of Directors, which are responsible for weighing the associated risks and mitigators.

Risk management enables the board to identify key risks associated with an activity, function or process to be assessed, addressed, controlled, monitored and communicated.

ILC's Board of Directors determined that the Directors' Committee is responsible for reporting to the Board of Directors on its periodic monitoring of risk management and control.

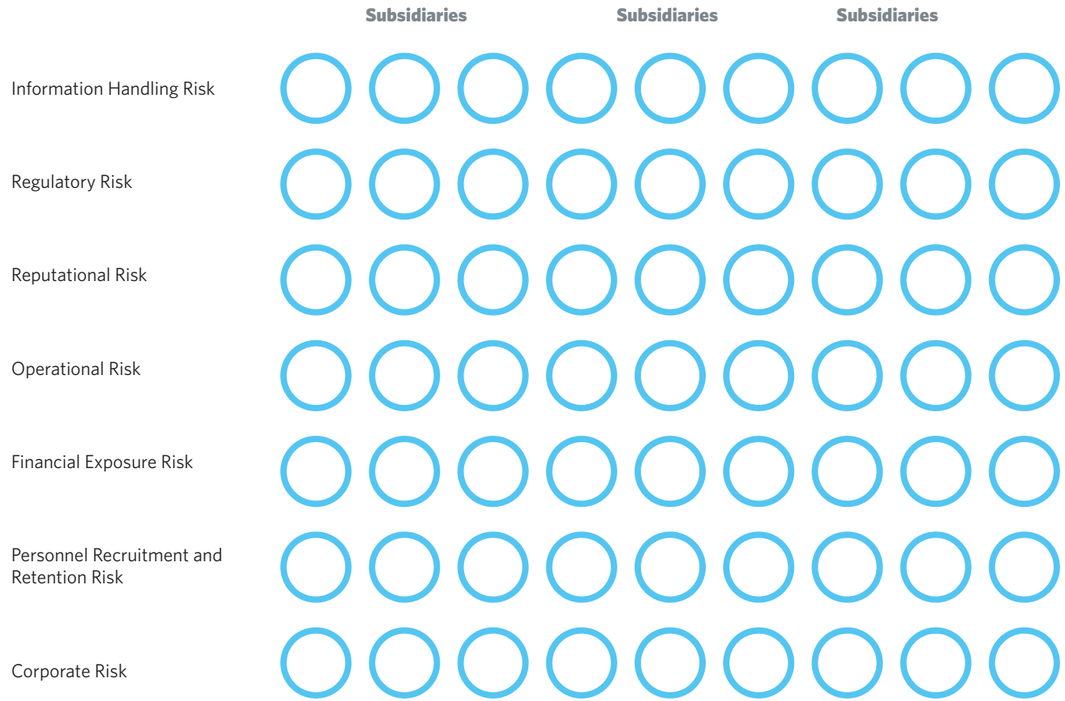
a. Risk Matrix

Our Company is committed to understanding and managing the risks to which it is exposed. These are monitored through a Risk Matrix, which the ILC Controller reviews and updates monthly together with each subsidiary. The matrix is presented to the Directors' Committee and the Committee Chairman reports any changes to the Board of Directors.

The main risks identified by the Company and included in the matrix are:

- Information Handling Risks
- Regulatory Risk
- Reputational Risk
- Operational Risk
- Financial Exposure Risk
- Personnel Recruitment and Retention Risk
- Corporate Risk

Each of these risks has different sub-ratings for each subsidiary, which are color coded (green, yellow or red) to reflect the level of associated risk.



b. Emerging Risks

In 2017, our Company added potential emerging risks, like regulatory modification risk and information security and cyber security risk.

i. Regulatory Modification Risk

Since all the industries where we participate are regulated, ILC is exposed to potential changes and modifications in each of them.

Our subsidiaries actively participate in public debate through different formal instances organized by authorities and other regulatory bodies.

Concrete examples of subsidiary participation on regulatory issues in 2017 are:

- Confuturo was asked to review standards and submit comments three times. It worked with the CMF twice and with the Finance Ministry's Financial Analysis Unit for the third.

  For CMF, Confuturo submitted commentary on General Standard No. 420 on Principles and Best Practices of Market Conduct by Insurances Entities and Brokers, which has since been published. It also submitted commentary on General Standard No. 421 on Reinsurance Management.

- The regulatory debate continued in the mandatory health insurance industry, but without significant legal changes in 2017. Isapre Consalud emphasized the effects of claims rates and increased litigation on industry sustainability.

- Vida Cámara also actively participated in General Standard No. 420 on Principles and Best Practices of Market Behavior through CMF focus groups as well as the Insurance Association's official delegation. Many of Vida Cámara's comments and modifications were incorporated into the current standard

ii. Information Security and Cyber Security Risk

The ILC Code of Ethics expressly prohibits individuals who are part of the Company from disclosing reserved or insider information that could significantly impact the price at which financial transactions are carried out. The document also establishes the obligation to protect confidential information about our customers and suppliers.

Furthermore, all subsidiaries have their own Information Security and Cyber Security Policy. On these issues, our subsidiaries periodically update anti-virus and operating software to keep the latest security mitigators updated.

At Banco Internacional, the General Policy on Information Security, its standards and procedures are aligned with Chilean Information Security Standard NCh-27001:2013, international standard ISO/IEC 27001:2013, and code of practice ISO 27002:2013.

Furthermore, each of our subsidiaries trains its employees on the policies and continuous improvements adopted on this issue. For example, information security is part of new employee orientation at Banco Internacional and Consalud.

Concrete examples of efforts in 2017 to promote information security and cyber security include:

- Confuturo signed a new network administration and security contract. The results of the annual assessment of impact and vulnerability of information security technology infrastructure were satisfactory. The main recommendations (ethical hacking, GAP analysis) were adopted quickly.

  The Company also applied the new market behavior oversight model for the insurance industry in its self-assessment of policies and procedures on information security and cyber security.

- Banco Internacional reviewed its website vulnerabilities and joined the ABIF[14] Cyber Security Committee in December 2017 .

- Red Salud has partially installed (80%) a perimeter security device to protect the network against security attacks and attempts to access files with a virus from outside the network.

- Consalud updated its reference framework from version 27000-2005 to 27000-2013 and implemented a personal password system for printing documents in order to reduce the risk of exposing sensitive information.

- Vida Cámara used ethical hacking and web stress testing on its applications and services in order to prevent cyberattacks from outside the company.

  Investments in this area were made to update the anti-virus software, improve the hardware used on the internal network at Vida Cámara offices and optimize firewall equipment and devices that enable robust control of applications.

In 2017, Banco Internacional, Confuturo, Corpseguros and Vida Cámara recorded minor information security incidents, all of which were resolved in a timely manner. None of these resulted in fines or sanctions.

Consalud and Red Salud did not experience information security or cyber security breaches involving customer information. Likewise, no fines or sanctions were reported in 2017.

[14] The ABIF formed a Committee of banking-industry specialists on the matter.

05.
Economic Performance

Economic Performance

G4-DMA, G4-EC1

I. Economic Value Generated

The year 2017 was marked by historical consolidated earnings as well as substantial growth at most of our subsidiaries. In particular, consolidated profit increased by 80% compared to 2016, mainly explained by increased contributions from Confuturo, CorpSeguros, AFP Hábitat, Vida Cámara and Banco Internacional.

In terms of our subsidiaries' performance in 2017, AFP Habitat retained leadership in profitability and assets under management in Chile and, for the first time in its history, recorded positive net results in Peru. Confuturo and CorpSeguros maintained their leadership in the annuities industry as the fourth and second largest companies, respectively, in terms of premiums and assets under management. There were some important operational improvements at Banco Internacional, which welcomed more than 600 new corporate banking customers and recorded 24% growth in commercial loans, higher than Chile's 4% average growth. Healthcare providers had a weak year in 2017 as a result of economic slowdown, which impacted Red Salud's margins and improved claim rates for health insurance companies, Consalud and Vida Cámara.

Economic value generated is calculated using the GRI EC1 indicator. Data on creation and distribution of economic value provides a basic indication of how economic value has been created for all our stakeholders and retained as reinvestment.

Economic Value Generated:

Revenue Ch$ million	2017	2016
(1) Revenue	1,656,639	1,660,823

Economic Value Distribution among Stakeholders:

Expenses Ch$ million	2017	2016
(2) Administrative and sales expenses	1,304,232	1,383,449
(3) Payments to employees	198,643	185,940
(4) Payments to State	25,668	5,104
(5) Payments to shareholders	80,116	60,976
(6) Payments to debt holders	22,638	22,107

(1) Includes revenue from non-insurance activities, net interest and indexation income, premiums from insurance activities and net operating income from banking activity.
(2) Considers cost of sales, administrative and operating expenses from non-insurance activities, operating costs and expenses from insurance activities as well as operating costs from banking activities, all net of personnel expenses and finance costs.
(3) Includes personnel expenses and cost of sales as well as administrative expenses from non-insurance activities and personnel expenses from insurance and banking activities.
(4) Does not exclude deferred taxes.
(5) 63% of ILC's dividends are paid to CChC, while the remaining 37% is distributed among its other shareholders. Also includes dividends distributed by our subsidiaries to minority shareholders.
(6) Includes net finance costs from insurance and non-insurance activities.

Economic Value Retained:

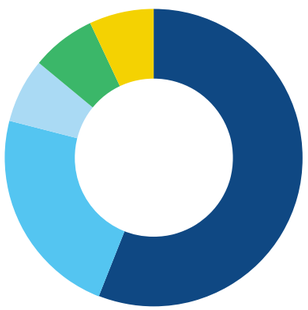
Ch$ million	2017	2016
(I) Economic Value Generated (1) – (2)	352,407	277,374
(II) Value Distributed (3) + (4) + (5) + (6)	327,064	274,127
(III) Value Retained (I)-(II)	**25,342**	**3,247**

In 2017, economic value generated was up 27% from 2016 to Ch$352,407 million.

93% of value generated was distributed to stakeholders, including employees, the government, the Chilean Chamber of Construction (CChC), other shareholders and debt holders. ILC retained the remaining 7% for reinvestment. In 2016, the Company retained 1% of generated value and distributed the other 99%.

Economic Value Generated in 2017

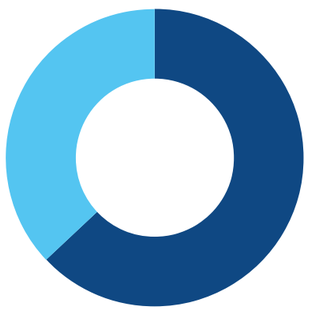
Ch$352,407 million



- Payments to Employees: **56%**
- Payments to Shareholders: **23%**
- Payments to State: **7%**
- Payments to Debt Holders: **7%**
- Value Retained: **7%**

Payments to Shareholders

Ch$80,116 million



- Payments from ILC to CChC: **63%**
- Payments from ILC and Subsidiaries to Other Shareholders: **37%**

II. Geographic Breakdown of Revenues, Profit and Taxes

Geographic Breakdown of Main Financial Figures:

	(Ch$ million)	2017		2016	
Revenue	Chile	1,636,028	98.8%	1,646,868	99.2%
	Peru [1]	20,611	1.2%	13,955	0.8%
Total		**1,656,639**	**100.0%**	**1,660,823**	**100.0%**
Profit	Chile	130,880	96.6%	305,426	99.5%
	Peru [2]	4,624	3.4%	1,499	0.5%
Total		**135,504**	**100.0%**	**306,925**	**100.0%**
Taxes	Chile	24,344	94.8%	5,252	102.9%
	Peru [2]	1,324	5.2%	(148)	(2.9%)
Total		**25,668**	**100.0%**	**5,104**	**100.0%**

[1] Only includes Vida Cámara Perú; Habitat Andina revenue is not consolidated in our Financial Statements.
[2] Includes Vida Cámara Perú and 40.29% of Habitat Andina

Effective Tax Rate:

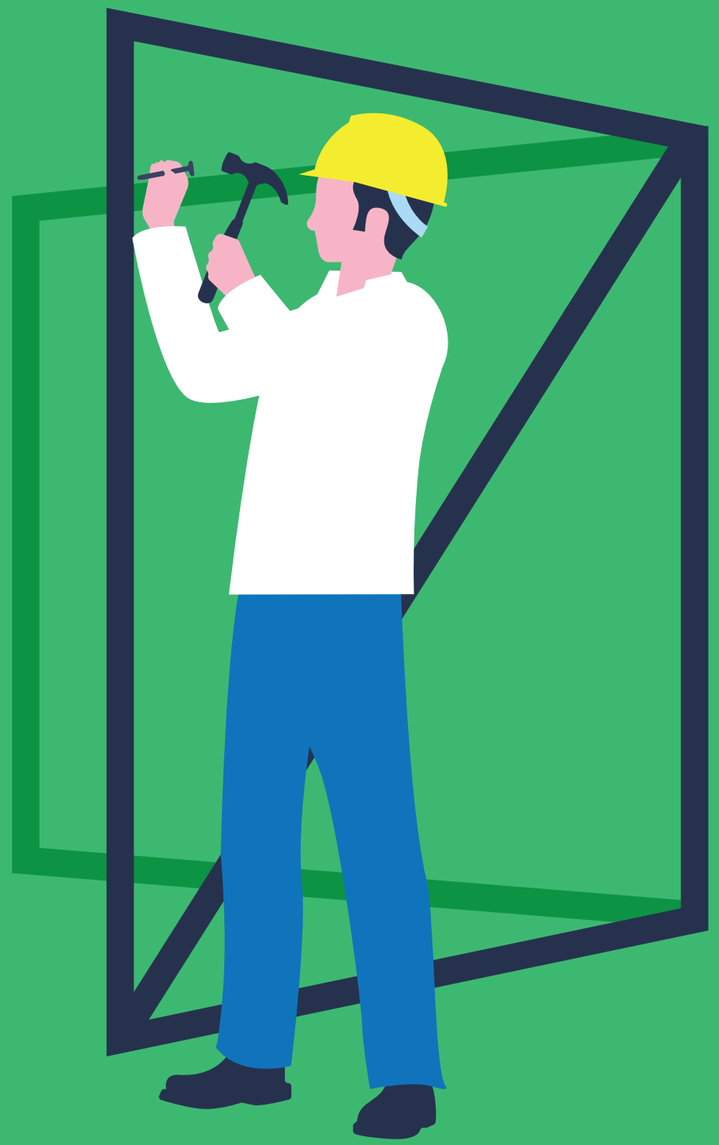
(Ch$ million)	2017
Profit before taxes	161,172
Taxes paid	25,668
Effective rate[3]	15.9%

[3] The effective tax rate is calculated as taxes paid (including deferred taxes) on before-tax profit.

The difference between the effective tax rate and the income tax rate (24.0%) is primarily due to the effects of non-taxable income, like:

- Returns on AFP Habitat's legal reserves (approximately Ch$11,740 million)
- Capital gains on equity investments from Confuturo and CorpSeguros (approximately Ch$19,700 million)
- Consolidation of income taxes from AFP Habitat
- Other effects

When these variables are isolated, the effective rate is approximately 27%.



06. Generating Social Value

Generating Social Value

I. Our Contribution as ILC

As noted in our mission, ILC seeks to improve people's quality of life through services that directly benefit them, like health, pension, banking, savings and insurance services. Operating in these areas means our activities have an implicit social role, which we have fulfilled throughout our 37 years of history.

Thus, the responsibility to be profitable stems from our long-term commitments, as well as our contribution to funding the Chilean Chamber of Construction's social initiatives (through CChC Social).

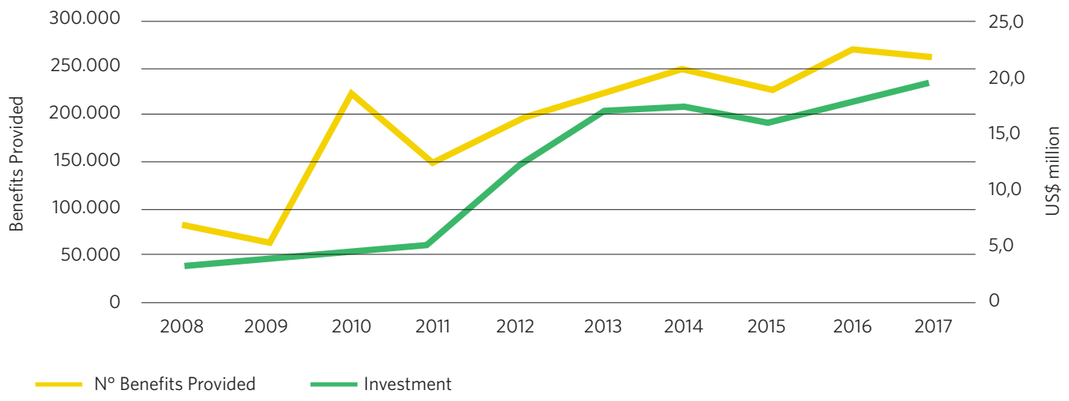
II. Contribution through the Chamber: CChC Social

CChC Social makes a series of social programs available to CChC member companies. It seeks to improve quality of life for construction workers and their families, a segment known for high social vulnerability.

CChC Social investment budget for 2017 was UF 453,540. Record budget implementation figures (97.3%, or UF 441,087) made it possible for the programs to offer more than 250,000 instances of aide around the country.

Social investment increased significantly outside Santiago, reaching nearly 70% of total resources available at the national level.

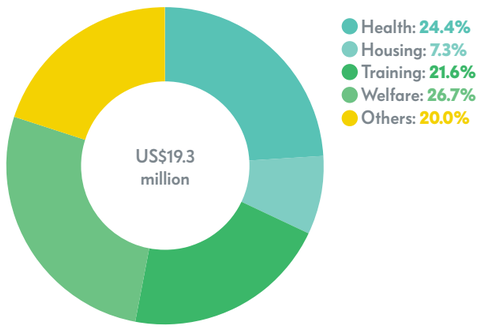
CChC Investment in Social Projects:



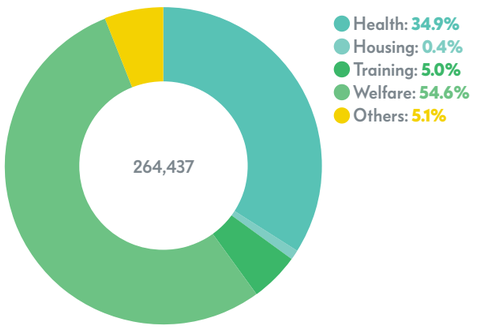
Social Investment Breakdown:

Area of Intervention	Investment 2017 (US$ million)	% Variation 2016	Benefits Provided in 2017	% Variation 2016
Health	4.7	9.2%	92,223	19.0%
Housing	1.4	36.2%	1,071	(25.8%)
Training	4.2	3.3%	13,193	(7.2%)
Welfare	5.1	11.6%	144,441	(1.8%)
Other	3.9	(17.1%)	13,509	55.8%
Total	**19.3**	**3.5%**	**264,437**	**6.2%**

CChC Social Investment Breakdown by Area (2017)



CChC Social Investment Breakdown by number of Benefits Provided (2017)



2017 CChC Social Milestones

► **Consolidation of the ¨Construye Tranquilo¨ Plan (Build at Ease Hospitalization Plan):** This program aims to provide timely and quality medical attention at clinics throughout the country. Through this initiative, CChC Social seeks to keep hospitalization from becoming an economic problem for constructions workers. To date, more than 38,000 workers are covered by this plan and more than 1,000 surgeries were performed in Chile in 2017.

► **Banco Estado-CChC Partnership:** Signed in November 2017, the Banco Estado-CChC partnership helps construction workers achieve their home ownership dreams by giving them access to mortgage loans. This initiative seeks to provide mortgage loans to 1,000 construction workers within five years.

► **Support for Corporate Governance:** CChC Social mission is articulated through non-profit corporations and foundations including: Fundación Social, Corporación de Salud Laboral, Escuela Cordep, Corporación Cultural Coreduc, Coprin, CFT Pro Andes, Fundación Reconocer, Mutual de Seguridad and Caja Los Andes

CChC organized a series of courses, talks and workshops in critical areas — like audit and strategic planning — for directors at these entities in 2017 to support development of best management practices.

► **Social Impact Indicators:** In 2017, CChC Social systematized social impact measurements with calculations of indicators like:

Impact on Social Welfare, which consists of three areas:

- ► Economic Impact
- ► Coverage of Impact
- ► Impact on Welfare

Benefit Efficiency

Social Return on Investment (SROI)

Regional Penetration

Direct Benefit for the Worker

The resulting data was considered in the 2018 assessment of social programs.

III. Social Investment by Subsidiaries

Each of our subsidiaries made independent donations to various institutions and social initiatives. Total social investment was Ch$20,426,520 in 2017.

Social Investment 2017:

Ch$20,426,520

Donations:

Ch$17,525,629

Commercial Initiatives[15] :

Ch$2,900,891

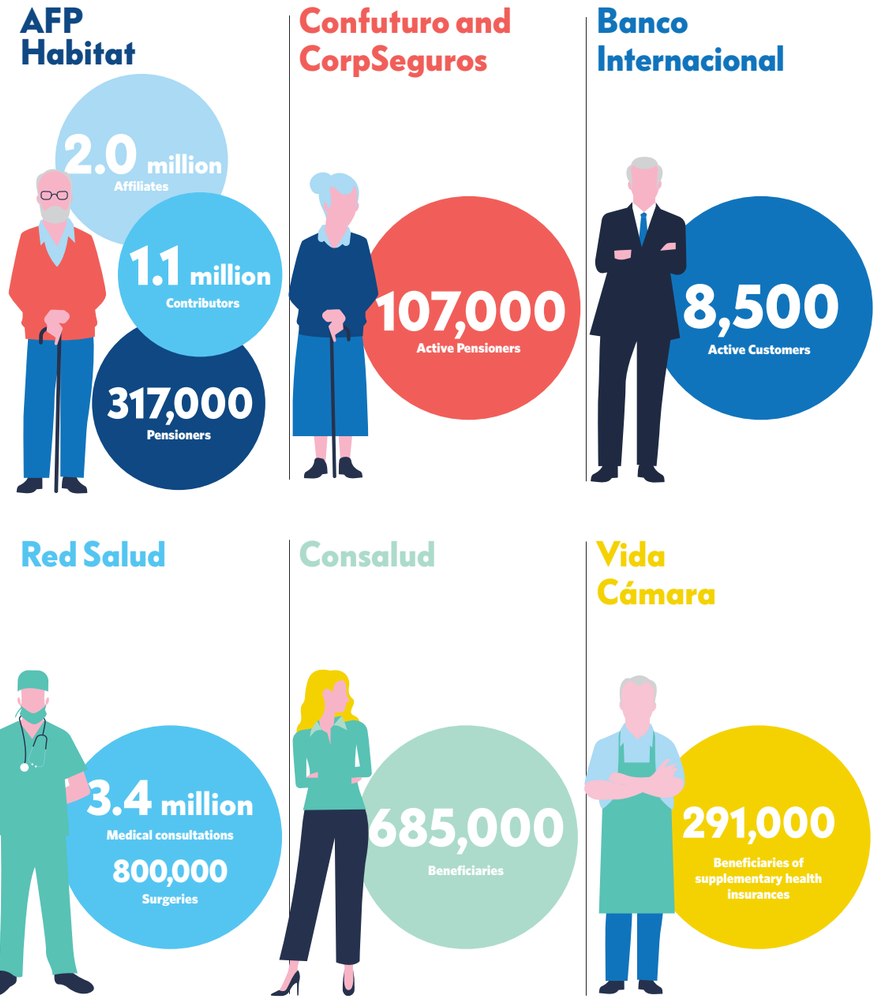
[15] Community activities related to our business, generally conducted by commercial departments to promote its corporate and brand identities in association with charities and community organizations.

07.
Customers

Customers

G4-4, G4-8, G4-PR5

Our customers are at the center of what we do. That is why we aim to give them personalized and expert customer service that ensures a long-term relationship based on ethics and trust.



I. Our Customers and Products

The following is an overview, by subsidiary, of the main customer and product-related issues.

a. Confuturo and CorpSeguros

Products

- Annuities
- Individual life insurances
- Voluntary retirement savings
- Consumer loans for pensioners
- Group life insurances

Number of Customers per Segment

- Annuities: 107,772 pensioners
- Individuals: 32,858 customers
- Corporate: 74,844 customers

Service Platforms

- 19 branches and service centers throughout the country
- Website
- Call center
- Help line
- Social Networks (Facebook, Twitter)

Through these platforms, these subsidiaries attended 90,000 customer consultations from 43,000 beneficiaries in 2017.

In addition, under the company's digital strategy, Confuturo and CorpSeguros reached 558,000 sessions in their public portal and 160,000 in their private portal.

2017 Highlights

Confuturo and CorpSeguros achieved a major milestone in 2017 when they exceeded 100,000 annuities per month, earning them first place in the industry. Similarly, the companies earned fourth place in premiums in the annuities industry and second place in terms of assets under management.

In service quality, Confuturo and CorpSeguros logged a series of accomplishments in 2017, for instance, being the second company in the industry obtaining the CMF Free Agents certification; implementing a new sales model offering tailored solutions; launching the customer benefits program featuring pharmacy, optical and dental discounts; selling more than 2,500 policies of a new insurance product for pensioners; launching a new website for CorpSeguros; renovating three regional offices; making improvements to mass communications; sending monthly pension statements via e-mail to retirees with annuities; and distributing documents with information that retirees frequently request.

b. Banco Internacional

Products

► **Corporate Banking:** checking accounts, lines of credit, financing, government-backed loans, foreign trade, leasing, factoring, investments, cash management, treasury, among others.

► **Retail Banking:** checking accounts, lines of credit, mortgages, investments, time deposits, among others.

Number of Customers

Banco Internacional had 6,011 borrowers as of December 31, 2017, up 76% from 2016. Of the total borrowers, 54% belong to the micro segment (loans of < UF 400), 21% to the small segment (UF 400 < loans < UF 3,000), and 22% to the medium segment (UF 3,000 < loans < UF 50,000).

Banco Internacional closed 2017 with US$1,932 million in loans, of which 43% were made to micro, small and medium-sized enterprises.

Service Platforms

► 11 branches

► 3 business centers

► 1 additional teller

► Website

► Mobile application

► Contact center

This network enabled Banco Internacional to complete 6,238 transactions in 2017.

2017 Highlights

Banco Internacional welcomed over 600 new corporate banking customers, in addition to a 24% increase in loans, far higher than the 4% achieved by the Chilean banking industry.

In terms of service, Banco Internacional inaugurated a new business center in Temuco, which complements the recently opened centers in Rancagua and La Serena.

Finally, the Bank changed its core banking software and achieved significant improvements in efficiency, bringing it in line with industry standards in this area.

c. Red Salud

Services

Red Salud is Chile's second largest private healthcare provider, both in terms of hospitalization and outpatient care. Of total medical services rendered in 2017, 50% were financed by private insurance companies (Isapres), 28% through public health insurance (Fonasa) and 22% were paid for by the individual (out of pocket).

Care Network

► 30 outpatient care and dental centers throughout Chile

► 3 hospitals in Santiago

► 6 hospitals outside Santiago

This network of outpatient centers and hospitals includes 984 beds, 905 medical consulting rooms, 101 emergency treatment rooms, 370 dental treatment rooms, 75 operating rooms, 20 CT scanners and 16 magnetic resonance imaging units.

With this infrastructure, Red Salud provided 3.4 million medical consultations, 6.2 million medical tests and performed more than 80,000 surgeries in 2017, reaffirming its relevance among private healthcare providers in Chile.

Custom Communication Platforms

► Call center

► Website

► Mobile application (Megasalud)

► Social networks (Facebook, Twitter)

2017 Highlights

In 2017, Red Salud defined the brand it would use to position itself throughout Chile as a single and nationwide healthcare network.

The company also consolidated the managed products model for its main institutional customers. As an example, for the second straight year Fonasa referred patients under the Diagnosis-Related Group Model, implemented with Isapre Consalud in 2016.

Finally, a series of improvements were made to the Red Salud corporate website and social networks in 2017, in order to improve communication with the community.

d. Consalud

Products

Consalud provides health insurance solutions, offering plans and supplementary policies that improve protection for its contributors, through:

- **Plans:** free choice, single provider and preferred provider plans
- **Supplementary:** obtaining stem cells, sports protection, surgery in Santiago, dental coverage, healthcare coverage when unemployed, protected child, free choice catastrophic coverage, telephone doctor, protected family, click doctor, prescription drug coverage, travel assistance.

Number of Beneficiaries

As of December 31, 2017, Consalud had a total of 685,000 beneficiaries and 397,000 contributors, up 3% and 4%, respectively, from year-end 2016.

Customer Loyalty

Consalud's efforts to establish long-term relationships with its customers include several initiatives like:

- **Welcome call,** to new beneficiaries to provide information about the contracted plan and to address any concerns.
- **Ongoing communication,** primarily through monthly newsletters. Branches are also equipped with pamphlets and information screens.
- **Incorporate customers at major events,** like the "Santiago Corre Consalud" run. The company invited 50 customers from outside of Santiago and reserved 1,000 spots for beneficiaries.
- **Online store,** with wide variety of products that can be purchased with surplus premiums at competitive prices.
- **Special initiatives for customers,** "Prepaid Surgery Program", "Walking with You" and "Remote Guidance Unit".

"Walking With You" Program

This initiative reflects the purpose and principles that guide Consalud. The company is determined to put the customer at the center of its operations. This is embodied in the first principle: "We see people before customers"

This program aims to provide preferential care to people that have been diagnosed with cancer or cardiac diseases. It counsels patients on the paperwork, supports them and their families psychologically and provides special benefits.

As of December 31, 2017, more than 5,000 people were part of this program.

Service Platforms

- 56 branches and customer service centers
- Mobile branches in the VIII region
- Online branch
- 24/7 contact center
- Website
- Mobile application
- Social networks (Facebook, Twitter)

Consalud attended to more than three million customer consultations through this network in 2017.

Online Strategy

Consalud has optimized its online strategy by improving platform usability.

Customers can use the mobile application to check the status of their reimbursements or the online branch to make co-pays and sign-up for supplementary products.

This online strategy has resulted in a greater percentage of customers using platforms, up from 25% in 2016 to 30% in 2017. The Online Branch also grew in terms of the number of customers who sign in and make transactions. The number of single visits more than doubled from 156,411 in 2016 to 345,272 in 2017.

Likewise, Consalud Móvil, a mobile branch serving three towns in Chile's VIII region, was implemented in 2017.

In 2017, Consalud continued supporting a series of programs that directly benefit their customers. The "Prepaid Surgery Program" performed 10,644 procedures in 2017; the "Walking with You" program closed the year with 5,415 people registered and the "Remote Guidance Unit", which is responsible for guiding beneficiaries to the best price/quality alternative for a scheduled surgery, birth or cesarean section, processed 4,722 cases in 2017. Finally, the "Ultrahealth" preventative health program closed the year with a portfolio of more than 28,000 beneficiaries and 19,000 contributors.

2017 Highlights

The company implemented a new General Customer Service Model, establishing principles and conduct guidelines for each area of customer relations. The so-called Waiting Room Managers are one example. They are responsible for making customers' in-branch wait times more efficient, educating them about transactions that can be performed online in order to facilitate and speed up paperwork procedures.

e. Vida Cámara

Products

Vida Cámara focuses on offering group health and life insurance with the following products:

- Group health insurances
- Life insurances
- Personal accidents insurances (disability)

Number of Customers

As of December 31, 2017, Vida Cámara had 291,000 supplementary health insurance beneficiaries. The company was fifth in the industry in terms of group health insurance premiums.

Service Platforms

- 17 branches
- 44 drop boxes
- Contact center
- Website
- Mobile application
- Social networks (Facebook)

Through this platform, Vida Cámara attended over 133,000 customer consultations during 2017, a 27% increase over the previous year.

Customer Loyalty

In 2017, Vida Cámara's efforts to establish long-term relationships with its customers included several initiatives, such as:

- **A new policyholder service** area offering service channels like chatbot and e-mail
- **New partnerships** with healthcare providers and pharmacies
- **Launch of the Customer Health Information Screening**, which analyzes claims rates by policy and provides a market benchmark.
- **Brand launch** events with customers

Vida Cámara actions are guided by five corporate principles: we build relationships, we support, we make things simple, we are resourceful and we act in an ethical and principled manner.

Online Strategy

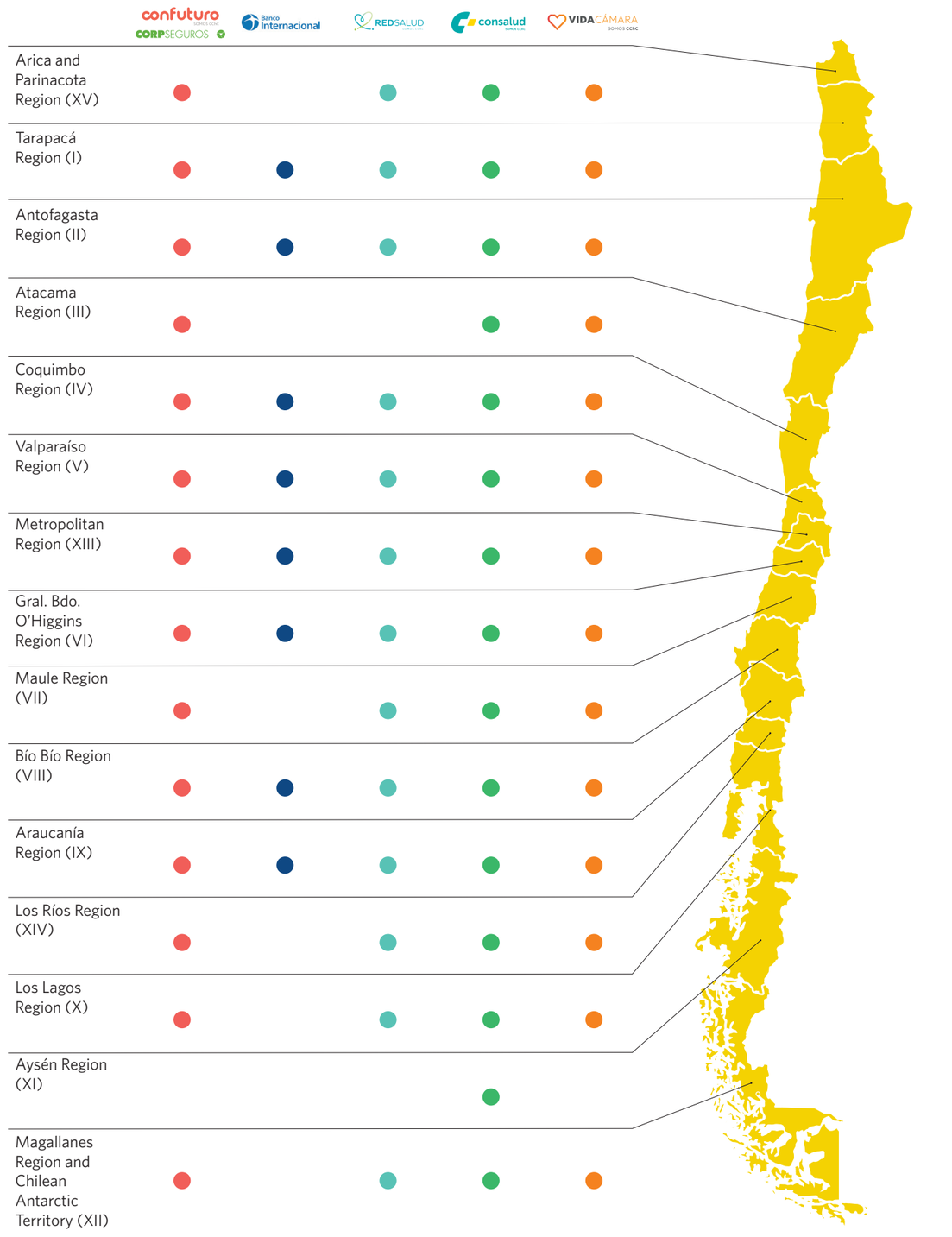
Vida Cámara launched a new web page with improved usability, placing special emphasis on financial literacy. The site has a platform that teaches visitors how to use insurance through tutorial videos and manuals. It also has a blog on trends in human resources.

2017 Highlights

Vida Cámara redefined its strategy in 2016 to focus pimarily on group life and health insurances. This change involved renewing and expanding its range of plans and modernizing its services for companies and policyholders.

Finally, Vida Cámara implemented its 2017 - 2020 strategic plan in 2017, with the aim of becoming a top-three provider of group health and life insurance on the market.

These changes yielded significant results such as 14% annual growth in group health insurance premiums. Various commercial initiatives were implemented during 2017 such as adding new reimbursement channels, accelerating payment procedures through partnerships with banks, establishing new partnerships with clinical providers and pharmacies, remodeling five regional Vida Cámara offices and other initiatives. The company expects these important organizational initiatives to deliver an extended impact over the coming years and become a national benchmark within this industry.



II. Customer Satisfaction

As ILC seeks to build long-term relationships with our members and customers, service quality is key to reaching this objective. Consequently, each of our subsidiaries conducts periodic satisfaction surveys in order to identify potential improvements without neglecting strengths.

Confuturo and CorpSeguros

The company conducts monthly satisfaction surveys for sales of annuities, life insurances and consumer credit life insurances, in-branch services and call center processes.

Category	Confuturo & CorpSeguros
	2017
Average Satisfaction with Service [16]	98%
Average Satisfaction with Call Center [17]	87%
Average Sales Satisfaction [18]	97%

In addition, the company measured general overall satisfaction, for the first time in two customer segments: pensioners and insurance policyholders. This study was conducted by Praxis company with 1,200 customers and the rate of overall satisfaction were 62% in Confuturo and 80% in CorpSeguros. Beginning this year, the measurement will be performed annually in December.

Banco Internacional

The organization conducts two main types of measurements:

Servitest: An annual study applied to the banking industry by Ipso company. It provides a comparative look at the industry, customer willingness to buy again or recommend, as well as loyalty and inclination to leave.

Internal customer satisfaction surveys: Random telephone surveys are conducted to analyze recommendation rates, overall satisfaction, service quality, products, as well as satisfaction with the assigned executive and platform (web page, contact center and mobile application).

	2017
Overall customer satisfaction (% of customers that would recommend the company in the last quarter)	58%
Overall new customer satisfaction (% of customers that would recommend the company in the last quarter)	88%
Percent surveyed (last quarter)	4%

Red Salud

The organization uses Indaga, an online platform that measures patient satisfaction, which enables efforts to be focused on areas of improvement.

Consalud

The company measures customer satisfaction through surveys conducted by GFK Adimark that measure overall aspects and service (branches, contact center and online branch). Customers are also periodically surveyed after visiting a Consalud branch.

In 2017, 850 customers took the overall survey with a rate of overall customer satisfaction of 45%.

Vida Cámara

The company uses a service satisfaction survey conducted by an external company. The survey measures customer experience in all processes. The main indicator is the NPS.

In addition, Vida Cámara is developing a customer experience process, in order to identify their main drivers and be able to prioritize according their needs.

[16] Service satisfaction is measured through simple phone surveys of a sample of customers. A net satisfaction survey was conducted via tablets at points of service at the Miraflores, Viña del Mar and Concepción branches.
[17] Simple satisfaction survey conducted by an external call center.
[18] Simple satisfaction survey conducted by an external call center.

III. Complaint Management

At ILC, we are convinced that complaints are a way to hear our customers' voices. Complaints tell us that an element, product and/or service is not meeting our costumers needs or expectations, giving us a chance to make corrections and improvements.

Thus, complaints are a powerful tool that, when properly processed, can bring great benefits for the Company.

Confuturo and CorpSeguros

All customer complaints are logged in a system that classifies requirements by line of business, cause and responsible area. Periodic monitoring is also performed.

Complaints received and recurring issues are reported monthly. Meanwhile, the Complaints Committee, comprised of representatives from the company's various divisions, meets every two months to analyze solutions and resolve process issues.

Banco Internacional

Banco Internacional uses service protocols to provide speedy and satisfactory resolutions for customers who express any degree of dissatisfaction with the service.

Number of Formal Inquiries and Complaints

Category	Confuturo & CorpSeguros		Banco Internacional		Red Salud		Consalud		Vida Cámara	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
(1) Number of customer complaints	1,017	769	49	56	n.a.	19,830	25,283	25,639	2,782	3,003
(2) Percentage of customer complaints	0.8%	0.6%	0.4%	0.4%	n.a.	3.0%	0.6%	0,5%	3.2%	2.6%

(1) Total number of claims
(2) Percentages calculated based on the number of costumers. In the case of Red Salud, this percentage considers the claims rate average of its clinics and medical and dental centers, based on the number of ambulatory and hospitalization attentions.

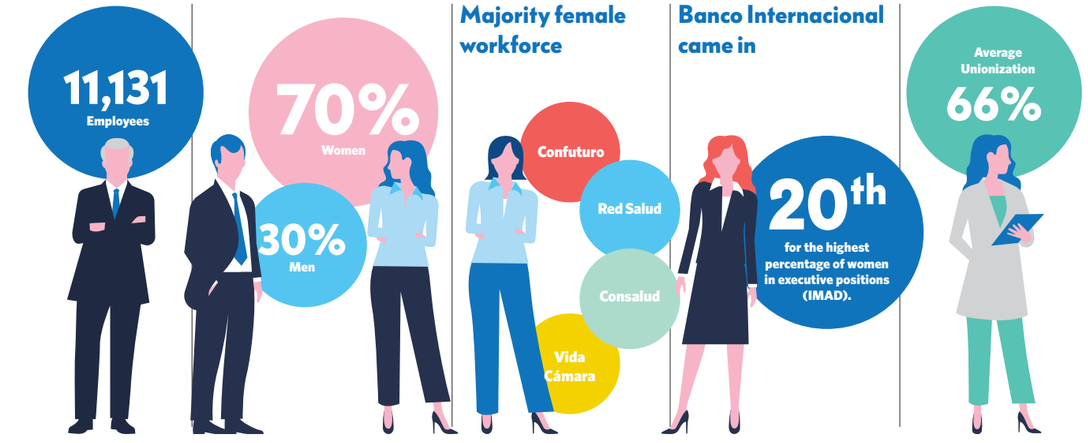
08.
Employees

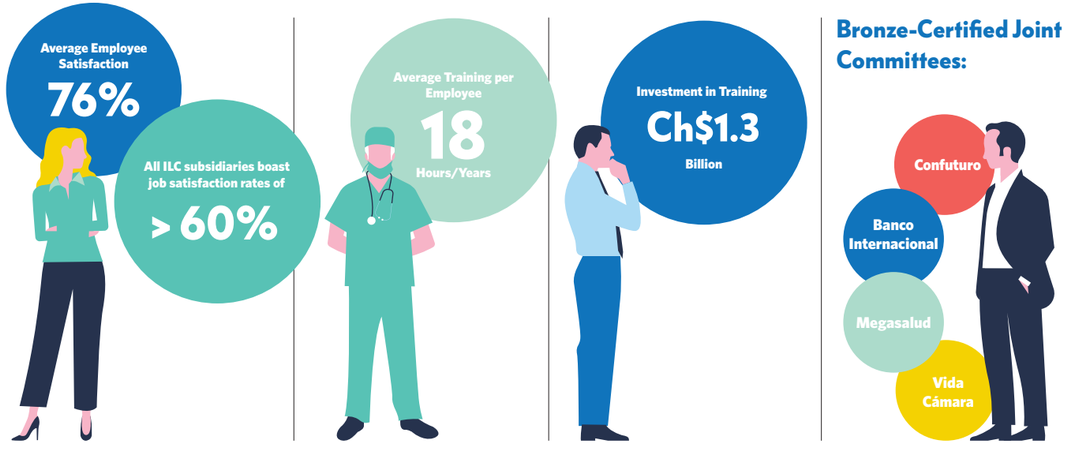
Employees

G4-9, G4-10, G4-11, G4-LA5, G4-LA6, G4-LA9, G4-LA10, G4-LA11, G4-LA12

I. Our Commitment

At ILC and our subsidiaries, we promote working environments that create conditions for excellence. Consequently, we seek to build fluid and direct working relationships where our employees are at ease and committed to the company's development.





II. Workforce

As of year-end 2017, our workforce totaled 11,131 employees at the consolidated level, which includes ILC, Confuturo, CorpSeguros, Banco Internacional, Red Salud, Consalud and Vida Cámara. In addition, Vida Cámara had 39 employees working in Peru as of the end of 2017.

- 11,131 employees[19]
- Confuturo and CorpSeguros: 877
- Banco Internacional: 504
- Red Salud: 7,291
- Consalud: 2,228
- Vida Cámara: 209
- ILC: 22

ILC Workforce 2017

Contract Type

2017	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Fixed-term	0%	15%	4%	8%	13%	2%
Indefinite	100%	85%	96%	92%	87%	98%
Total Employees	**22**	**877**	**504**	**7,291**	**2,228**	**209**

In 2017, 91% of our employees had an open-term contract, while the remaining 9% had a fixed-term contract.

[19] Additionally, the Company has 1,808 employees in AFP Habitat, of which 199 workers belong to AFP Habitat Peru.

III. Diversity and Inclusion

As expressed in our Employee Relations Policy and Code of Conduct and Ethics, ILC is committed to fair and equitable treatment of all persons. These documents establish that no employee may be discriminated against on the basis of age, race, gender, religion, sexual orientation, marital status, maternity, political stance, ethnic background or union membership.

In 2017, women made up approximately 70% of the ILC workforce and comprised the majority of the workforce at four subsidiaries: Red Salud (77%), Consalud (71%), Confuturo and CorpSeguros (64%) and Vida Cámara (63%).

Employees by Gender

Gender	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Men	65%	36%	58%	23%	29%	37%
Women	35%	64%	42%	77%	71%	63%

Some noteworthy accomplishments in the realm of diversity and inclusion are:

Banco Internacional: The Report on Women in Senior Management (IMAD)[20] , issued by Women in Business and the UC Directorate of Social Studies, ranked the Bank 20th regarding the number of women in executive positions. Furthermore, Banco Internacional's Board of Directors approved its General Human Resources Policy in 2017, which expressly states that the company values employee merit over any other factor. Thus, all human resources management decisions are analyzed accordingly and without discrimination.

Female Workforce by Employee Category

Type of Employee Category	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Executives [22]	0%	2%	14%	1%	0%	1%
Area heads [23]	14%	18%	53%	5%	8%	12%
Employees [24]	86%	80%	33%	94%	92%	87%
Total	**7**	**535**	**214**	**5,544**	**1,575**	**132**

[20] The IMAD 2017 ranking evaluated 93 major public and privately owned companies in several areas. For additional information http://sociologia.uc.cl/assets/uploads/2018/01/ranking-imad-2017.pdf
[21] This figure corresponds to executive and area head positions.
[22] Female executives/managers are those within two positions of the Chief Executive Officer.
[23] Female area heads are those who are more than two positions from the Chief Executive Officer.
[24] Female employees (administrative personnel and technicians)

Women hold 47% of all executive positions [21] at the consolidated level.

In terms of inclusion, we know that companies are sustainable and endure over time only when they commit to their human capital and create paths of access that favor workplace diversity.

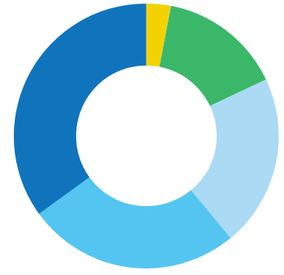
Following passage of the Law on Workplace Inclusion of People with Disabilities[25] in June 2017, our companies began surveying employees with some type of disability. At the consolidated level, there were 29 employees with disabilities. Each subsidiary decided to begin recruitment processes in order to bring this number up to the 103 employees required under the new regulations.

Our companies have also taken supplementary measures like adding a Diversity and Inclusion Policy to their internal regulations and making access, mobility and hygiene adaptations to all facilities. Banco Internacional even designed a communications plan as it prepares to apply for the Inclusive Chile Seal.

We are convinced that this type of initiative will improve the working environment and organizational commitment at our subsidiaries.

Workforce by Age

Age (2017)	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Under 30	27%	11%	19%	32%	13%	16%
30 - 40	41%	29%	39%	36%	33%	30%
41 - 50	14%	35%	23%	17%	30%	29%
51 - 60	14%	23%	14%	12%	21%	21%
Over 60	4%	2%	5%	3%	3%	4%
Total	**22**	**877**	**504**	**7,291**	**2,228**	**209**



[25] Enacted April 1, 2018, Law 21,015 on Workplace Inclusion of People with Disabilities requires people with disabilities to comprise 1% of the workforce at public or private companies with 100 or more employees. For additional information, visit http://www.senadis.gob.cl/pag/421/1694/ley_de_inclusion_laboral

Workforce by Years of Service

Years Of Service (2017)	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Less than 3 years	41%	48%	61%	41%	54%	44%
3 - 5	32%	23%	18%	28%	16%	22%
6 - 9	14%	15%	12%	8%	7%	10%
10 - 12	9%	6%	2%	7%	8%	12%
More than 12 years	4%	8%	7%	16%	15%	12%
Total	**22**	**877**	**504**	**7,291**	**2,228**	**209**

Workforce Diversity

Diversity	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Foreigners (%)	0.0%	2.2%	2.0%	2.9%	0.7%	1.0%
With disability (%)	0.0%	0.6%	0.4%	0.0%	0.2%	0.0%
Senior citizens (%)	0.0%	1.2%	1.0%	4.0%	0.3%	1.0%

IV. Human Capital Development

a. Training

At ILC, we strive to develop our employees' full potential. Consequently, we provide the tools required for personal and professional development.

At ILC and our subsidiaries, we averaged 18 hours of training per employee in 2017[26]. This included training activities for different positions and required an investment of Ch$1,307 million.

Significantly, Banco Internacional tripled its training hours per employee from 28 in 2016 to 84 hours in 2017. Similarly, Vida Cámara increased its average number of training hours per employee by 89% in the same period.

Training Hours

2017	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Average training hours per employee	45	84	9	17	36

Total Training Hours in 2017:

199,346

Total Training Investment in 2017:

Ch$1,307 m.

[26] This number includes only subsidiary training because ILC does not offer training.

Consolidated Figures

	2015	2016	2017
Average training hours per employee	14	12	18

Training Hours by Gender (Consolidated)

Gender	Percentage
Men	30%
Women	70%

Training by Subsidiary

Confuturo and CorpSeguros

The 2017 annual training plan for Confuturo and CorpSeguros is structured based on the training needs of its individual and retiree business segments, as well as the training and development needs of its core areas.

Two internal training programs were designed to impart technical knowledge and skills that prepare our employees to provide customers from the individual segment with excellent advice. The Basic Training Program shares business knowledge with new hires while the Training Curriculum is comprised of 12 technical courses on life insurances and consultative sales. A total of 226 insurances and investment executives participated in the two programs.

External training efforts included two programs for intermediaries and insurance brokers. The basic workshop attracted 331 participants while 167 intermediaries attended technical training on investment issues, sales techniques and internal processes.

Trainings in the retiree segment focused on providing tools that equip free agents, annuities advisers and sales executives to give personal, one-of-a-kind expert advice. Training for consultants focused on strengthening technical knowledge, reaching a national average of 52 hours of blended-learning study. All this contributed to an internal certification rate of 89% (up 15% from 2016) and being the second company in the annual CMF certification of insurance companies. Sales executives attended trainings on LD 3,500 so they can provide excellent service to consultants and customers who purchase annuities directly.

Training efforts for core areas focused on leadership and management tools as well as a program derived from training needs. The Leadership Program imparted tools for advanced negotiation and generating service agreements. 90% of core area leaders participated. The Management Tools Program provided basic knowledge of negotiation as well as the company's values and standards. 78% of core area employees participated. Finally, the program derived from training needs, which offers courses for professional development on technical matters, expanded coverage to 70% of employees.

Banco Internacional

The annual training plans at Banco Internacional address different technical, regulatory, leadership, orientation and ongoing learning training needs.

In 2017, training focused on strengthening skills, technical knowledge and leadership skills.

Banco Internacional significantly increased total training hours in 2017. Employees came from around the country to participate in various Santiago-based training schools.

Furthermore, Banco Internacional launched a post-graduate scholarship program that was very well received and attracted a large number of applicants.

Avanza Program

The training program at Banco Internacional called Avanza is comprised of five schools, each of which addresses one of the organization's training needs. In 2017, 420 people participated in the program.

- **Welcome School** — The on boarding program, for all new bank employees, lasts three months. It includes mentoring by the direct supervisor in order to speed the employee's adaptation to the organization and work team.
- **Regulation School** — This specific training on bank regulations is comprised of e-learning courses developed especially for the Bank. Each year, all bank employees take courses on Law 20,393, Law 19,913, operating risk, business continuity and information security.
- **Leadership School** — Training for all employees in supervisory roles at the Bank. The modular course curriculum aims to provide tools and skills to optimize the leadership skills of individuals in area head positions.
- **Technical School** — Specific training that aims to optimize the roles of all our employees. It is comprised of two modalities: Business School: provides all employees with knowledge, optimizing skill development for success in their position. The second modality aims to train on skills and/or knowledge observed in the individual employee in order to optimize performance in the position.
- **Ongoing Learning School** — Voluntary training on a broad scope of skills and/or knowledge courses. This school is open to all employees.

The training programs with greatest coverage were the Business School (37% coverage) and the Leadership School (20%).

Red Salud

In the framework of Law 20,393, Red Salud implemented training on the Crime Prevention Model at all subsidiaries. This is the first time training has been offered to the entire organization at Red Salud.

The training programs with greatest coverage at Red Salud subsidiaries were:

Subsidiary	Trainings With Greatest Coverage In 2017
Megasalud Medical and Dental Centers	► (Face-to-face and distance) service quality program ► Soft skills program
Iquique Hospital	► Developing clinical specialties ► Customer service
Elqui Hospital	► Technical program on organizational team work ► Training program for accreditation (CPR and HAI)
Tabancura Hospital	► HAI training program
Avansalud Hospital	► Risk prevention training ► Patient safety training
Bicentenario Hospital	► CPR and HAI training geared to the clinical area ► Job skills training
Integral Hospital	► Training for the Transfusion Medicine Unit's medical technicians
Mayor Hospital	► Self-care training program ► Leadership program

Consalud

In 2017, training focused primarily on building technical skills for branch personnel.

The highlight in 2017 was the "My Development Program" initiative. Aimed at branch heads and service executives, the program seeks to support teams in properly applying the company's new customer service model and value offering. These trainings addressed issues including the online branch, value offering, margin and product, volume and quality and orientation.

Vida Cámara

The main challenge for Vida Cámara was training its teams on implementation of the performance evaluation process. Supervisors were taught to apply the tool and process feedback while employees learned about corporate values and related competencies.

Vida Cámara significantly increased its average training hours per employee from 19 hours in 2016 to 36 hours in 2017. The Insurance School's course on claim liquidation and the Customer Loyalty Workshop for the account executive team were among the training programs with the widest coverage.

V. Attracting And Retaining Talent

a. Performance Management and Career Development

Performance management is essential to achieving the targets we have set for ourselves as a Company. Each subsidiary manages its performance in accordance with its own objectives.

Confuturo and CorpSeguros

The companies implemented a Performance Management System based on job competencies and position targets. For both, individual performance is related to the guidelines and organizational objectives set forth in the strategic plan. Managers, deputy managers, area heads, analysts and assistants undergo 360-degree appraisals, while the heads of the commercial area undergo 180-degree evaluations.

The Selection Area improved the employee orientation process in order to facilitate adaptation to the organizational culture. In 2017, Confuturo focused on attracting young professionals.

The company also promoted internal mobility. The Recruitment and Selection areas met weekly with the Organizational Development Area to analyze internal candidates for each available position. Furthermore, the Communications and Selection areas worked to facilitate employee applications through an Intranet portal for posting current internal recruitment processes.

Banco Internacional

The organization implemented a Trainee Program for young talent. It provides an overview of the business and, depending on individual merit, serves as a starting point for planning a career at the Bank.

The internally developed tool for measuring employee performance assessed behaviors tied to the six corporate values. For individuals in leadership positions, it assesses behaviors associated with the Bank's DNA of a Leader: trainer, role model, inspirer, protagonist and exacting. A Likert scale is used to produce a unique individual result for each behavior.

The Bank's Compensation Policy is designed around the parameters of equity, competitiveness and merit. In this sense, performance evaluations are based on descriptions of each position's main duties and requirements that were finalized in 2017.

Red Salud

In 2017, Red Salud established a performance evaluation model for the entire organization that will be applied as of 2018.

In terms of job development milestones, Megasalud launched a talent scouting program, while Tabancura Hospital placed strong emphasis on internal mobility.

Consalud

In 2017, Consalud conducted a performance evaluation process with employee coverage of 78%. Consalud has differentiated evaluations. Commercial and service areas have quantitative targets, while administrative areas assess skills and targets with a focus on management.

Vida Cámara

For the first time in its history, Vida Cámara conducted a performance evaluation process, which was internally designed to focus on both basic skills applicable to every job and position-specific requirements. The evaluation reached 100% coverage.

Furthermore, the company began performing the selection process in-house and strengthening the employee orientation process.

b. Satisfaction and Work Climate

At ILC, we promote working environments that create conditions for excellence. Thus, we encourage relationships based on ethics, respect and trust. Along that same line, our subsidiaries conduct different working climate surveys in order to learn about employee perceptions of the working environment, along with other internal issues.

Confuturo and CorpSeguros

These companies measure working environment with the Great Place to Work survey. One of the main accomplishments in 2017 was the improvement in corporate vision, which went from 77 points in 2016 to 79 points this year. Likewise, the area vision measurement rose to 86 points.

The companies conducted a satisfaction survey related to work-life balance, administered by IFREI from Universidad de los Andes, which measures policies, supervision and culture. Its positive result earned the company special recognition.

Banco Internacional

Banco Internacional used the ESG Compass platform to measure the working environment, reaching a 63% satisfaction rating and 88% coverage.

Red Salud

The company has set the goal of conducting a climate survey at the network level for the first time in 2018. Meanwhile, in 2017 Megasalud used the ESG Compass platform to assess its working environment, while Bicentenario administered the Bicentenario is With You survey ("Bicentenario Contigo") to 38% of its employees and Magallanes Hospital also surveyed its own working environment. Satisfaction ratings on these Red Salud surveys were 73%.

Consalud

Consalud administered a survey conducted by KornFerry Haygroup to determine organizational effectiveness in terms of commitment and support. The employee satisfaction rate was 79%.

Vida Cámara

Vida Cámara applied the Great Place to Work survey with coverage of 88%. Employee satisfaction rose from 74% in 2016 and to 77% in 2017.

Employee Satisfaction Rate

% Satisfaction (2017)	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Employee satisfaction	86%	63%	73%	79%	77%
Coverage	97%	88%	49%	83%	88%

Consolidated Figures

	2015	2016[27]	2017
Employee satisfaction (simple average)[28]	78.5%	80.7%	75.6%

c. Turnover

At the consolidated level, average turnover at ILC was 28.4% in 2017.

Total and Voluntary Turnover

% Turnover (2017)	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Total employee turnover	12%	52%	34%	23%	36%	25%
Total voluntary turnover	12%	27%	23%	13%	26%	6%

[27] Average satisfaction rates for 2015 and 2016 do not include Red Salud data. Furthermore, average satisfaction in 2016 does not include Banco Internacional. Since 2016 was a period of major changes at the Bank, working environment was not surveyed that year.

[28] Consolidated employee satisfaction figures are calculated by averaging the results obtained by the businesses, each of which uses a different method to measure the indicator.

d. Occupational Health And Safety

At ILC and our subsidiaries, we are committed to employee safety and welfare. Consequently, we promote a culture of prevention and a healthy lifestyle.

Occupational health and safety initiatives by the subsidiaries include:

Confuturo and CorpSeguros

The company's main occupational health and safety accomplishments included reducing the additional premium rate paid to Mutual de Seguridad for job-related accident insurance and earning Bronze-category certification for its Joint Committees on Hygiene and Safety.

In terms of workplace health, the company awarded funding grants to 463 employees who submitted integration and healthy lifestyle proposals. It also sponsored 124 employees' participation in the Safety Olympics, 598 employees at health fairs and activities like fitness breaks or partnerships with gyms in order to encourage healthy lifestyles among employees.

Banco Internacional

In 2017, Banco Internacional created a Workplace Safety and Health Policy, which was subsequently approved by its board. The policy establishes guidelines that must be upheld in order to ensure safety and protection for employees within the Bank facilities.

Also, for the first time in its history, the Joint Committee earned Bronze-level certification based on compliance with current regulations; validation of the Committee structure, its responsibilities, operations and work plan; and proper training for its members. An important step in establishing a culture of safety and self-care at Banco Internacional, this accreditation also lays the foundation for higher-level certifications in the future resulting in more thorough prevention management.

Red Salud

One of the main accomplishments in this area was the risk management recognition earned by Iquique Hospital, which the CChC-Iquique Risk Prevention Commission chose over all other member companies.

Meanwhile, Elqui Hospital cut days lost due to workplace accidents in half compared to 2016. The results of the psychosocial risk survey also suggested low risk. Megasalud certified its Joint Committees on Hygiene and Safety, while Valparaiso Hospital also reduced accident rates and days lost due to workplace accidents compared to 2016. Mayor Hospital implemented the Psychosocial Protocol from the Superintendency of Social Security/Institute on Workplace Safety 21 Survey, making it one of the pioneers in psychosocial interventions with employees.

Consalud

Consalud focused its efforts on a risk prevention, campaign to reduce the number of accidents and professional illnesses. With support from Mutual de Seguridad, the company instituted a cultural change in occupational safety and health.

The main milestone in this area was in self-care and risk prevention where the company managed to reduce by two tiers the differentiated additional social security premiums paid to protect against workplace accidents and professional illnesses. Prior to this reduction, Consalud had not been in the lowest category for 14 years.

In order to promote employee health and welfare, the "Move" program, which provides personalized nutrition and exercise counseling in addition to several athletic activities, was implemented at company headquarters. Outside Santiago, the program consists of partnerships with gyms.

Vida Cámara

Vida Cámara has a risk prevention specialist and a Joint Committee, which earned Bronze-level certification in 2017.

Its initiatives to promote a healthy lifestyle include a 43-hour work week, short days on Fridays, medical campaigns, healthy snacks, fitness breaks for employees in Santiago and sponsorship for athletes.

Joint Committees

2017	ILC[29]	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
Employees represented by joint committees	0%	86%	78%	88%	77%	100%[30]
Number of joint committees	0	6	1	39	10	1

Absenteeism Rate

2017	ILC	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
	0%	4%	5%	10%	6%	7%

ILC average absenteeism at the consolidated level was 7.2% in 2017.

[29] ILC does not have Joint Committees because it has too few employees. Such committees are legally required for entities with 25 or more employees.
[30] Vida Cámara only has Joint Committees in Santiago.

e. Labor Relations

As previously noted, at ILC we seek to establish long-term relationships with each of our stakeholders. Communication between our company and employees plays a crucial role in reaching this objective.

The main labor relations milestones in 2017 include:

Confuturo and CorpSeguros

Confuturo participated in Universidad Católica's labor relations survey[31] with particularly high scores on the quality of company-union relations. This was evident in the collective bargaining process, which was held ahead of schedule and resulted in a more attractive and competitive offering of employee benefits.

Banco Internacional

Banco Internacional also implemented Universidad Católica's LRI survey. The Bank continued strengthening relations with its unions at coordination meetings and weekly conversations throughout the year.

Red Salud

Red Salud is in the process of standardizing policies and processes on employees and human resources, a process which is vital to relations with each of the unions and collective organizations. Red Salud is the only ILC subsidiary that experienced strikes in 2017 (Valparaíso and Bicentenario Hospitals).

Consalud

Consalud promoted periodic and systematic work with its three unions, which represent 90% of its workforce. The goal is to strengthen trust and optimize the cultural transformation underway at Consalud. The company conducted a successful collective bargaining process in the first half of 2017.

Vida Cámara

The organization recognizes and respects its employees' right to form unions and engage in collective bargaining. Vida Cámara promotes flexible and collaborative labor relations, where dialogue and goodwill are prioritized in order to reach agreements that benefit both the company and its associates.

[31] The LRI survey measures trust between different members of the organization, the quality of different management practices and excellence in labor relations management.

Labor Relations

Category	Confuturo & CorpSeguros	Banco Internacional	Red Salud	Consalud	Vida Cámara
2017					
Employees represented by a union or collective agreement [32]	467	146	4,678	1,898	128
Number of collective bargaining processes	1	0	10	1	0
Number of strikes	0	0	2	0	0

Consolidated Figures

	2015	2016	2017
Employees represented by a union or collective agreement	39%[33]	41%	66%

66% of our employees at a consolidated level are represented by a union or covered by a collective agreement.

Consolidated Data

2017	
Employees represented by a union or collective agreement	7,317
Number of collective bargaining processes	12
Number of strikes	2

[32] ILC does not have unions, but its subsidiaries do.
[33] The 2015 consolidated figure does not include Red Salud data.

09.
Environment

Environment

G4-DMA, G4-EN2, G4-EN3

At ILC, we began measuring our main environmental impacts in 2017. As a primarily financial company, our impact was less evident than in other industries.

We are convinced that the first step lies in identifying impacts and creating environmental awareness within subsidiaries.

Thus, in 2017, we began exploring the main indicators of eco-efficiency at ILC, Confuturo and Red Salud, then selecting the most relevant indicators for the industries where we operate. We hope to include the rest of our subsidiaries in the 2018 environmental measurement.

I. Emissions

a.Energy Consumption

Energy is a basic input for our operations. We know that energy consumption produces greenhouse gas emissions, one of the main contributors to global warming

Energy Consumption

	2017 [MWh]	2017 Coverage	2016 [MWh]	2016 Coverage
Total [34]	25,452,02	52%	18,602,53	52%

The new CChC building provides significant levels of energy savings and conservation. One major design priority was to ensure the building, which faces northwest, received a significant quantity of natural light. Windows were treated to deflect infrared rays and reduce direct solar radiation. It also features Led RGB lights on all floors and a system that enables connections to be managed individually or as a group.

b. Business Trips

Business trips involving air travel generate greenhouse gas emissions. The company has opted to measure this type of impact even though the source of those emissions is external to ILC.

Distance Traveled

	2017 [km]	2017 Coverage	2016 [km]	2016 Coverage
Total [37]	1,202,943	40%	1,080,984	40%

New Corporate Building With LEED Silver and CES Certifications

The new Chilean Chamber of Construction headquarters, which houses ILC and the majority of its subsidiaries, is one of the most innovative buildings in Chile. In addition to being the first in the country with an anti-seismic system based on a steel, tuned mass pendulum, the building is environmentally sustainable. It is currently in the process of earning LEED[35] Silver and Sustainable Building (Certificación Edificio Sustentable, CES) certification[36].

[34] These figures are based on ILC, Confuturo and Red Salud data.
[35] LEED (Leadership in Energy & Environmental Design) is a system for certifying sustainable buildings. It was developed by the US Green Building Council.
[36] Created by the Institute of Construction, the system enables assessment and rating of the environmental behavior of buildings for public use in Chile.
[37] These figures are based on ILC and Confuturo data.

c. Water Consumption

At ILC, it is important to measure our water consumption so that we may use it responsibly and improve future management of this resource. Water use is more intense in the healthcare sector than in the financial sector.

Water Consumption

	2017 [thm³]	2017 Coverage	2016 [thm³]	2016 Coverage
Total[38]	0.24373	53%	0.25482	53%

d. Residuous Generation

The quantity and type of waste generated varies by the nature of the industry. ILC and our financial subsidiaries generate domestic-type waste, while the health sector generates domestic and biological waste, such as pathogenic agents and hazardous waste (e.g. cytotoxins and pharmaceutical compounds).

A significant part of all our domestic waste is recycled with support from the San José Foundation. Hospital waste is handled by specialist contractors.

Since a portion of hospital waste is ultimately brought to a landfill or dump, we decided to monitor that environmental impact.

Waste Generation

	2017 [t]	2017 Coverage	2016 [t]	2016 Coverage
Total[39]	2,754.72	12%	2,610.8	13%

[38] These figures are based on ILC, Confuturo and Red Salud data.

Tabancura Hospital Implements the Biosystem Program

Tabancura Hospital is the first in metropolitan Santiago to implement Biosystem, a system for handling sharps waste. Biosystem reduces environmental impact and improves employee safety with reusable containers.

This initiative makes Tabancura Hospital an active part of the Global Green and Healthy Hospital network, which promotes improvements to sustainability and environmental health in the healthcare sector worldwide. The network is a worldwide community of hospitals, health systems and professional academic organizations, that aims to reduce their environmental footprint and promote public environmental health. Its members commit to implement the Global Green and Healthy Hospital Agenda[40] , adopt sustainable practices and measure their progress.

Biosystem uses each sharps container up to 600 times. Advantages include lowering plastics consumption and atmospheric carbon emissions, reducing the plastics added to dumps and aligning practices with the global green agenda.

The system was implemented by Stericycle at 215 points throughout Tabancura Hospital, including outpatient and hospitalization areas as well as all clinical services that produce sharps waste.

The program's reuse of sharps containers has reduced plastic waste by 1,719 tons.

[39] These figures are from ILC and Red Salud data.
[40] For additional information visit http://www.hospitalesporlasaludambiental.net/agenda-global/

10. GRI Index

GENERAL STANDARD DISCLOSURES				
GRI G4 Index	**Description**	**Chapter**	**Page**	**Comments**
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker of the organization	Letter/Vision of Sustainability/ Corporate Governance	7/34/54	
G4-2	Description of the organization's key impacts, risks and opportunities	Letter/Vision of Sustainability	7/34	
ORGANIZATION PROFILE				
G4-3	Name of the organization	Our Company	11	
G4-4	Report the primary brands, products, and services	Our Company/ Customers	11/77 to 83	
G4-5	Report the location of the organization's headquarters	Our Company	11	
G4-6	Report the countries where the organization operates	Our Company	11	
G4-7	Report the nature of ownership and legal form	Our Company	11	
G4-8	Markets served	Our Company	11	
G4-9	Scale of the reporting organization	Our Company/ Employees	11 and 12/89	
G4-10	Report the breakdown down of the organization's employees	Employees	89	
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Employees	105	
G4-12	Describe the organization's supply chain	Our Company	17	
G4-13	Report any significant changes during the reporting period (size, structure, ownership, supply chain)	Our Company	11	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization			The Company does not consider the precautionary principle in its management
G4-15	List sustainability charters, principles or initiatives to which the organization subscribes			The Company does not subscribe or adopt principles or other external initiatives
G4-16	List memberships of associations and national or international organizations to which the organization belongs	Corporate Governance	58	
MATERIAL ASPECTS AND COVERAGE				
G4-17	List entities included in the organization's consolidated financial statements and other equivalent documents	Our Company	11	
G4-18	Explanation of the process for defining report content and the Aspect boundaries	Vision of Sustainability	34	
G4-19	List all the material Aspects	Vision of Sustainability	38	
G4-20	Report whether the Aspect is material within the organization	Vision of Sustainability	38	
G4-21	For each material Aspect, report the Aspect boundary outside the organization	Vision of Sustainability	38	
G4-22	Effect of any restatements of information provided in previous reports	Vision of Sustainability	38	
G4-23	Significant changes from previous reporting periods in the scope and Aspect boundaries	Vision of Sustainability	38,39	
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the organization	Vision of Sustainability	35	
G4-25	Basis for selection of stakeholders with whom to engage	Vision of Sustainability	36 and 37	
G4-26	Organization's approach to stakeholder engagement	Vision of Sustainability	36 and 37	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Vision of Sustainability	36 and 37	

GRI G4 index	Description	Chapter	Page	Comments
REPORT PROFILE				
G4-28	Reporting period	Vision of Sustainability	35	
G4-29	Date of most recent previous report	Vision of Sustainability	35	
G4-30	Reporting cycle	Vision of Sustainability	35	
G4-31	Contact point for questions regarding the report or its contents		Back cover	
G4-32	GRI Content Index and option selected	Vision of Sustainability/ GRI Index	35/112	
G4-33	External assurance for the report	Vision of Sustainability	35	
GOVERNANCE				
G4-34	Governance structure of the organization, including committees of the highest governance body	Corporate Governance	44 and 49	
G4-38	Composition of the highest governance body and its committees	Corporate Governance	48,49	
G4-39	Whether the Chair of the highest governance body is also an executive officer	Corporate Governance	47	
G4-40	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees	Corporate Governance	45	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Corporate Governance	54 and 55	
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate Governance	54 and 55	
G4-45	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities	Corporate Governance	58 and 59	
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Corporate Governance	58 and 59	
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Corporate Governance	58 and 59	
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report	Vision of Sustainability	39	
G4-49	Process for communicating critical concerns to the highest governance body	Corporate Governance	54 and 57	
G4-51	The remuneration policies for the highest governance body and senior executives	Corporate Governance	49	
ETHICS AND INTEGRITY				
G4-56	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Letter/Our Company/ Corporate Governance	7/23/56	
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Letter/Our Company/ Corporate Governance	7/23/56 and 57	
G4-58	The internal and external mechanisms for reporting concerns about unethical and unlawful behavior, and matters related to organizational integrity	Corporate Governance	57	

SPECIFIC STANDARD DISCLOSURES

Material Aspect	Description	Chapter	Page	Comments
ECONOMIC				
ECONOMIC PERFORMANCE				
G4-DMA	Management focus	Economic Performance	64	
G4-EC1	Direct economic value generated and distributed	Economic Performance	65	
ENVIROMENT				
MATERIALS				
G4-DMA	Management focus	Environment	108	
G4-EN2	Percentage of materials used that are recycled input materials	Environment	110	It was measured for ILC and Red Salud
ENERGY				
G4-EN3	Energy consumption within the organization	Environment	109	It was measured for ILC, Confuturo and Red Salud.
SOCIAL				
LABOR PRACTICES AND DECENT WORK				
EMPLOYMENT				
G4-LA1	New employee hires and employee turnover by age group, gender and region	Employees	101	
OCCUPATIONAL HEALTH AND SAFETY				
G4-LA5	Management-worker health and safety committees	Employees	103	
TRAINING AND EDUCATION				
G4-LA9	Employee training hours by gender and employee category	Employees	93 and 94	
G4-LA10	Programmes for skills management and lifelong learning	Employees	93 and 97	
G4-LA11	Performance and career development reviews	Employees	98 to 99	
DIVERSITY AND EQUAL OPPORTUNITY				
G4-LA12	Diversity breakdown of employees and governance bodies	Corporate Governance/ Employees	48/90 to 92	
SOCIETY				
ANTI-CORRUPTION				
G4-SO4	Communication and training on anti-corruption policies and procedures	Corporate Governance	54 to 55	
PRODUCT RESPONSIBILITY				
PRODUCT AND SERVICE LABELING				
G4-PR5	Surveys measuring customer satisfaction	Customers	84	

Development

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