

RELATIONS WITH STAKEHOLDERS

ADASA respects and recognises customers' needs for accurate, credible information on the product it provides to them. The provision of transparent, timely and accurate information to customers is crucial to meeting their expectations and to engaging in mutual collaborative relationships with them. ADASA seeks to build transparent, trust-based relationships with all stakeholders within a wider framework of stakeholder engagement.

ADASA has carried out a process to identify its stakeholders, analysing each one in terms of level of involvement, risk analysis and flow of information. The main stakeholders identified by the company are customers, communities, employees and contractors, and the national and regional authorities.

Customers

One of the areas of attention and concern for ADASA is its base of over 133,000 customers, which are divided into two categories:

- Regulated customers, comprising domestic consumers located in the concession areas of Antofagasta, Calama, Tocopilla, Mejillones and Taltal.
- Unregulated, mainly industrial, clients such as Mantos Blancos, Minera Spence S.A., Rayrock, SQM Nitratos and Sierra Miranda.

133,000

customers

Client relationship management

Highlighting the importance of improving the quality of life of residential customers and the efficiency of supply systems for industrial customers, ADASA launched its 'Customer Relations' project in November 2007 with a view to improving the relationship between customers and the company, consolidating its image and taking one step further towards becoming an industry benchmark.

Open communication

ADASA has open communication channels in place with its customers, such as the website www.aguasantofagasta.cl, where up-to-date information can be found on the company, business offices, tariffs and online queries. The same web site provides users with the means to express any concerns or submit a complaint to the company.

Payment transparency



In striving towards improved customer service and promoting greater transparency in payment procedures, ADASA is the only water company to invoice the client at the same time as reading the meter, printing out the receipt in

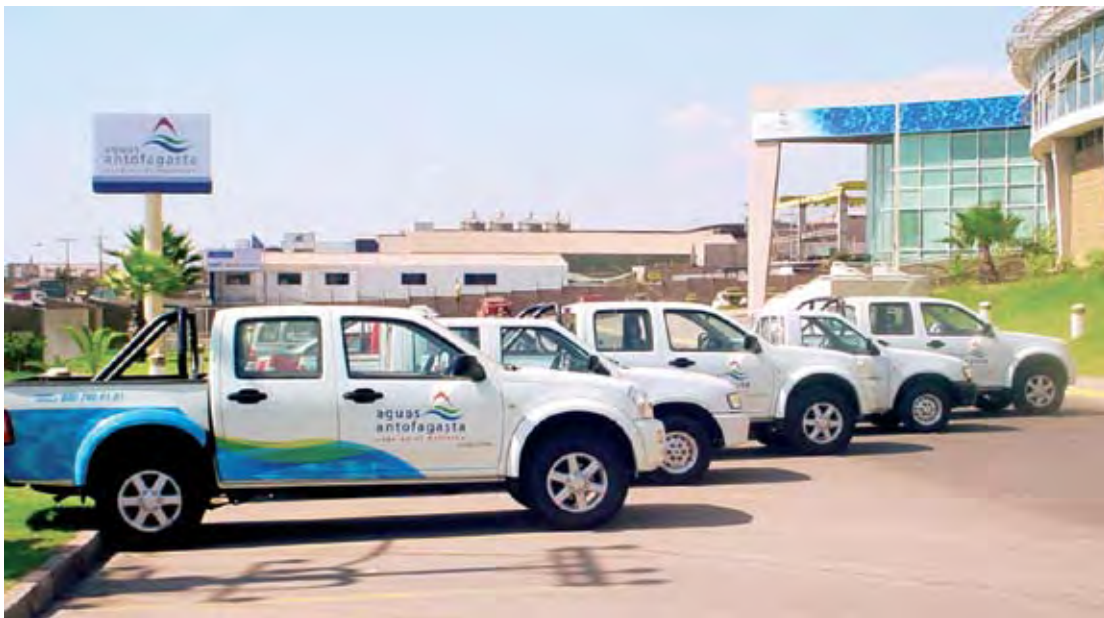
each customers' home once water consumption has been verified.

Customer care and satisfaction

In order to promote a prompt and efficient response, ADASA has implemented its Fono Clientes telephone-based customer service system, which has reduced waiting times and improved customer service.

The company website now features an online customer care platform where clients are able to pay the balance due on their water account, and can also be kept informed about the

latest modifications to the service, planned cut-offs, supply replacement and other issues. The company has also implemented an Integrated Customer Care System which automatically registers each enquiry, the reason for that enquiry and the adopted solution. This allows ADASA to improve customer service and provide efficient solutions more quickly. In 2007, there was a 9.6 % fall in the number of complaints compared to the previous year.



■ Employees
at December 2007



Employee relations

ADASA has a total of 263 employees, of which 257 are on permanent contracts and six on fixed-term contracts.

As part of its management model to achieve excellence in its services, ADASA seeks to promote the well-being and commitment of its workers through sporting and cultural activities, as well as lifelong training in certain areas.

While the company does not have a specific policy in place with respect to the hiring of local workers or suppliers, all employees are resident in the Antofagasta Region. Suppliers of goods and services are both local and national.

Occupational health and safety

The company currently has occupational health and safety programmes in place which enable it to maintain high levels of performance in these areas.

Through its Risk Management Department, the company has an occupational health and safety plan in place to detect and manage work-related illnesses, as well as risks and exposure to them through operational processes and duties.

In striving for continuous improvements in occupational health and safety, the company has also drawn up plans for quantitative and qualitative evaluation of risks and prevention of work-related illness and accidents at work.

2007 saw the implementation of various training programmes aimed at raising awareness of the risk of illness and effects on the health of employees as a result of contact with physical, chemical and biological agents.

Numerous evaluations were carried out in regard to safety in 2007, including:

- Internal risk management audits that allow management and evaluation of the elements integral to managing operational risk and safety activities under the responsibility of area supervisors.
- Audits carried out by Mutual de Seguridad (a private sector organisation for promoting health and safety) as part of the Competitive Enterprise Programme.
- Annual management audit, to review and update company risk maps.

■ Accident rate indicators

	Total
Lost time injury frequency rate	8.6
All Injury Frequency Rate ⁽²⁾	28.7
Severity Rate	80
Number of Fatalities	-

⁽¹⁾ Number of accidents with time lost per million hours worked over a one-year period.

⁽²⁾ Number of accidents with and without time lost per million hours worked over a one-year period.

⁽³⁾ Number of days lost per million hours worked over a one-year period. (Lowest case one fatality is equal to 6,000 lost days).

Training

As part of the effort to ensuring that ADASA's workforce remains motivated and committed, various training activities were carried out in 2007. The most notable was the First Innovation Game, where various teams were formed to resolve different problems faced by the company.

Along with this programme, a series of workshops were held which were geared specifically towards the development of managerial skills for departmental managers and professionals. The aim was to create collaborative communities within the company and strengthen leadership, negotiation, teamwork, creativity and communication.

In 2006, ADASA was "e-Seal" accredited by the National Training and Employment Service (SENCE) in recognition of the company's success in bridging the digital gap.

In 2007, approximately US\$72,000 was invested in staff training, of which US\$44,000 was contributed directly by ADASA and

US\$28,000 by SENCE. 217 employees took part in the activities and an average of 23 hours of annual training was received by each employee.

Other collaborative events that took place outside the workplace were held in the ADASA Social Club and Sports Facility, which fosters

comradeship between workers and promotes a healthy work-life balance. There is also a folk music association formed by company workers.

ADASA has entered into two collective bargaining agreements with its two trade unions, which comprise 139 employees and 37



employees respectively covering 67% of all workers. The good relationship with employees is reflected in the low staff turnover, which was just over 1% in 2007.

Community

ADASA realises it is an integral part of the community and hence it has implemented a permanent programme to promote its values: the Culture of Life in the Desert. The programme's objective is to focus on the talents of employees and of contractors, paying particular attention to the role carried out by each, and promoting the philosophy that the resource that is obtained and used is not just water, but life.

What began as a single company initiative turned into a campaign which today has been adopted by 16 bodies representing the education and health sector, municipalities and the National Environmental Council (CONAMA).

Community-based activities carried out in 2007 included:

- Visits to all educational institutions in the cities

served by ADASA. This involved a movable display stand and audiovisual and graphic material handed out to 128,000 children aged between 4 and 17 years.

- The creation of an online community – www.nuestronorte.cl – through which to develop regional business projects in the social, cultural or economic domain.
- Visits carried out by corporate volunteers from each city, comprising workers and service providers, to sponsored social organisations.
- An agreement with the Catholic University of the North and the University of Antofagasta to strengthen innovation and to develop students' technical skills.
- Donations granted to the Regional Fire Brigades of the five cities supplied to fund equipment and operations.
- Annual meetings with property developers and estate agents within the region to draw

up measures that will improve the quality of service for future clients.

Authorities

As a utility company, ADASA works directly with all relevant political, health, tax and environmental authorities in the field, achieving transparency, ensuring prompt issuance of analysed information and responding to each enquiry submitted by the authorities.

