

#### **ENGIE** in the world



worldwide

€60,6 BILLION total income in 2019

US\$ 182 million of investment in technological development and innovation in 2019



**SOLAR** 

Intipampa solar plant, Moquegua

**POWER HYDROELECTRIC PLANTS** Quitaracsa hydroelectric power plant, Ancash Yuncán hydroelectric power plant, Pasco

THERMAL POWER PLANTS

Ilo21, Moquegua Reserva Fría Ilo31, Moquegua Nodo Energético Ilo41, Moquegua

**COMBINED CYCLE THERMAL POWER PLANTS** 

ChilcaUno, Lima ChilcaDos, Lima

#### **ENGIE Energía Perú**

years of operation in Peru

2,300 USD

million of investments (1997-2019) **POWER PLANTS** 

of power generation (one solar, two hydroelectric power plants and five thermal power plants) distributed in different regions of the country

2,496 1,552

of installed capacity

production of renewable energy

**SOCIAL AND ENVIRONMENTAL MANAGEMENT** 

+ 38.000

inhabitants from our areas of influence were benefited with social projects

77,07 M3 of recycled water destined to irrigate green areas

waste generated and managed

# content

WE CREATE VALUE FOR PEOPLE AND THE PLANET



FOR A CARBON-NEUTRAL

The 2019 Sustainability Report is inspired by the ENGIE Group's Integrated Report, in line with its desire for long-term progress. It uses the standards of the Global Reporting Initiative (GRI) as a reference framework and presents its Sustainable Development Goals (SDG). developed by ENGIE Energía Perú in

2019 and its perspectives through its shared value for people and the planet contributing to a sustainable, competitive, report is prepared by the Institutional Relations and Sustainability Management, with the edition and design by the Communication and Corporate Brand Management; and the approval by the company's Sustainability Committee, which has a representative from each Vice-presidency and the Executive Committee.



04 LETTER FROM THE GENERAL MANAGER



STRATEGY **TOWARDS CARBON** NEUTRALITY

- 10\_ Development in line with Peru
- 12\_ Our strategy towards carbon neutrality
- 14\_ Peruvian electric market trends in 2019
- 16 Our economic performance



18 GOVERNANCE A RESPONSIBLE COMPANY FROM ITS EMPLOYEES TO ITS CORPORATE GOVERNANCE

- 21\_ Corporate governance
- 24 Risk management
- 26 We look after our talents
- 44\_ No life at risk
- 48 Ethics and human rights



#### 50 CONNECTION WE CREATE VALUE WITH AND FOR OUR PARTNERS

- 54\_ Dialogue with our stakeholders
- 58 We take care of our planet
- 68\_ We develop with the communities
- 70 We innovate with our customers
- 74 We boost the sector
- 76 We move forward with our suppliers
- 78\_ We contribute to the Sustainable Development Goals
- 80\_ Recognitions



**ANNEXES** 

84\_ Sustainability indicators

- 86 Main policies and processes in force
- 88 Content index -Global Reporting Initiative

#### × LETTER FROM THE **GENERAL MANAGER**

#### DEAR READERS.

It is a pleasure for me to present the 2019 Sustainability Report of ENGIE Energía Perú, which reflects our efforts and achievements on the way to our firm purpose we have set ourselves: to lead the energy transformation towards a carbon-neutral economy. All this is for the benefit of people, companies and cities, as well as for all the stakeholders that are part of our organization and business.

Upon completion of this report, we are still in the midst of the global crisis resulting from the effects of COVID-19. A difficult situation for all companies and people working in them, where sustainability plays a central role to respond to the urgent needs that countries need to not stop, from the operational, commercial, safety, environmental aspects, in front of employees and communities that are suffering more from the crisis.

As a core business, we have responded to the crisis from day one of the pandemic, ensuring power supply for the country with the minimum necessary personnel in the operations; and the rest working remotely from their homes. All this with the objective of taking care of the health of our employees that from here I send my recognition for their outstanding work, dedication and commitment.

Returning to the 2019 management included in this report, it is worth mentioning our work in the area of occupational safety where we have obtained zero accidents during this period, thanks in large part to 6,380 hours of preventive training.

In this same line of approach to our human resources, we have progressed significantly in terms of professional development and benefits, as well as our constant effort to make our company an increasingly egalitarian place that fully respects our differences. For all these reasons, we are included in the Merco Talento 2019 ranking along with large companies concerned about their collaborators.

Last year, we continued to pay attention to our ethical principles and efforts in transparency, through the continuous assessment and prevention of risks with greater spaces of dialogue and information with all our

We built shared value by working hand in hand with our communities, in open and sincere dialogue to identify actions and projects that improve the quality of life of their families. In this report, we also present all the achievements and figures reached in 2019 in terms of social projects, technical skills, infrastructure, and education. Actions that have been recognized with the 2019 Sustainability Award of the National Society of Mining, Petroleum and Energy, by virtue of the social management.

Our customers are also central to our commitment to sustainability. We are continuously reviewing our value proposal to provide new innovative and efficient solutions that allow them not only to use clean energy but also to make better use of this resource. During 2019, we continued to promote electric mobility through pilot projects with the different actors involved.

In this way, we decentralized these solutions, taking projects to other regions outside Lima, such as Arequipa, Cajamarca, Tumbes, Piura, Trujillo, and the central area of the country.

Responsibility for the environment is a cornerstone of our management and helping to reduce global warming is part of our goal. For this reason, during COP25, held in 2019, we announced the closure of our coal-fired power plant in Ilo (Moguegua) by 2022, a unit that at the time contributed to the power supply of the south of the country, but which technology is currently not in line with ENGIE's purposes.

We have created the Sustainability area along with the Institutional Relations one in order to strengthen our management and monitoring of our commitments towards a carbon-neutral economy.

Finally, I would like to thank once again all our teams, directors, customers, authorities, suppliers, and communities who contribute with us and allow us to improve every day in our purpose of contributing to a progress in harmony for all.

**66** Our responsibility for the environment cornerstone management and helping to reduce global warming is part of our goal





**HENDRIK DE BUYSERIE**  $\times$  GENERAL MANAGER





2019 SUSTAINABILITY REPORT

Accelerating the transition to a carbon-neutral economy, thanks to energy solutions and environmentally friendly services, is the raison d'être of the ENGIE Group worldwide, uniting the company with its collaborators, customers and shareholders through the reconciliation of good economic results and positive impacts on people and the planet.

Belonging to the circle of leaders in the energy sector worldwide, ENGIE integrates the concept of sustainability into its economic model by promoting and developing the generation and use of renewable energy. In Peru, decisions have already been made that demonstrate our willingness. In 2017, the IIo1 thermal power plant went out of commercial operation and in its place, in 2018, the Intipampa solar power plant went into operation, both in the region of Moquegua. In 2019, the decision was made to close the Ilo21 coal-fired power plant (planned for 2022) and to develop a new renewable project, the Punta Lomitas wind power plant, in Ica. Through its key behaviors, which are bold, demanding, caring and

WE CREATE VALUE FOR

open, ENGIE Energía Perú develops its sustainability policy in line with the vision of a future with a carbon-neutral economy, together with its customers, the communities living in its areas of influence and society in general. Being totally committed to people and the planet, ENGIE Energía Perú has been executing projects of social inclusion and environmental preservation in the different areas surrounding its power plants, in the regions of Moquegua, Pasco, Ancash, and Lima through a dynamics in coordination with regional and local authorities, thus achieving a joint









ENGIE Energía Perú, based on Lima, is one of the largest companies in the generation of electric power with more than 22 years of operations in Peru.

We are part of the ENGIE Group, a French capital company present in 70 countries, which has 160,300 employees worldwide and which shares are listed on the Brussels, Luxembourg and Paris stock exchanges.

Since the beginning of our operations in 1997, we have invested approximately US\$2.3 billion in the development of eight power generation plants in different regions of the country, which provide us with 2.496 MW of installed capacity, representing approximately 20% of the country's capacity. Currently, we have five (5) thermal power plants, two (2) hydroelectric power plants, one (1) solar plant, one (1) electric substation, and twelve (12) transmission lines that allow us to serve, through SEIN, our customers nationwide and, in addition, export to the neighboring country of Ecuador.



2019 SUSTAINABILITY REPORT

**USD2,300**<sub>MM</sub>

invested in Peru between 1997 and 2019





2,496<sub>MW</sub>

of installed capacity



#### **SOLAR**

#### **MOOUEGUA**

**INTIPAMPA SOLAR PLANT** (INTIPAMPA SOLAR PLANT) 40 MW - Solar - Moguegua



#### HYDROELECTRIC POWER PLANT

#### ÁNCASH

QUITARACSA HYDROELECTRIC POWER PLANT (QUITARACSA HYDROELECTRIC POWER PLANT) 114 MW - Water - Áncash

#### **PASCO**

YUNCÁN HYDROELECTRIC POWER PLANT (YUNCÁN HYDROELECTRIC POWER PLANT) 134 MW - Water - Pasco



#### THERMAL POWER PLANT

#### LIMA

CHILCAUNO THERMAL POWER PLANT (CHILCAUNO THERMAL POWER PLANT)

852 MW - Natural gas - Lima

**CHILCADOS THERMAL POWER PLANT** (CHILCADOS THERMAL POWER PLANT) 111 MW - Natural gas - Lima

#### **MOOUEGUA**

NODO ENERGÉTICO ILO41 THERMAL POWER PLANT (ILO41 THERMAL POWER PLANT)

610 MW - Diesel / Natural gas - Moquegua

RESERVA FRÍA ILO31 THERMAL POWER PLANT

(ILO31 THERMAL POWER PLANT)

500 MW - Diesel / Natural gas - Moquegua

**ILO21 THERMAL POWER PLANT** (ILO21 THERMAL POWER PLANT) 135 MW - Coal - Moguegua



#### **OUR STRATEGY TOWARDS CARBON NEUTRALITY**

Aligned with our purpose of contributing to progress in harmony with people and the planet, where individual interests respond to collective interests, three years ago the ENGIE Group decided to change its business strategy at a global level and go beyond energy, to lead the transition to a carbonneutral economy. With its national strategy, ENGIE Energía Perú contributes fully to the objectives of its corporate Group.

This strategy also acts in response to the growing collective demand of the market and society for business actors who are aware of the impact of their operations on the environment and responsible for generating social well-

In line with this strategy, as ENGIE Energía Perú, we aim to work to continue decarbonizing our operations, without this transition putting at risk the reliability of supply; to offer cleaner and more renewable energy to our customers; to develop new decentralized energy infrastructure for both companies and cities; and contribute to the opening of an increasingly sustainable market.

We are working to lead the transition towards less carbon emissions. During 2019, we managed to produce 1,552.1 GWh of renewable energy, representing 24% of our total production. We also have an ambitious portfolio of wind and solar projects under development.

Furthermore, in line with this objective, in December 2019, the closing of our coal-fired power plant, Thermal Power Plant Ilo21, was announced for the year 2022.









## TRENDS OF THE PERUVIAN ELECTRICITY MARKET IN 2019



SUSTAINABILITY REPORT

natural gas) out of dispatch. This situation of over-supply explains why electricity prices in the short-term market and contracts with free users are at current levels.

The Peruvian electricity market faces a situation of oversupply of electricity generation at competitive prices for several due to the years, high production capacity hydroelectric and thermal power (natural gas) plants.

Another relevant issue related to the over-supply situation is that during 2019 some agents of the sector<sup>1</sup> have stated, through different means and jurisdictions, their opinion on the need to modify the regulatory framework applicable to the declaration of natural gas prices presented by generators, the last modification of which was approved by the Ministry of Energy and Mines in December 2017. These agents propose a new mechanism which, in our opinion, would increase prices in the electricity market.

For example, in December 2019, SEIN's total maximum demand was 7,018 MW and the available supply of electricity generation was 13,248 MW, that is, there was an over-supply of 6,230 MW. Likewise, of the total available supply of natural gas units, which is equivalent to 4,671 MW, only 2,506 MW were used, leaving 2,065 MW (45% of the available supply of

Our company has stated, on the occasion and in front of the relevant authorities, its position against the proposed mechanism, since it considers that the market requires clear and stable rules that allow the development of long-term investments to create a reliable energy matrix for the country.

A long-term regulatory change cannot be based on an economic situation derived from the market itself (a situation of over-supply). In any case, regulatory changes must have due technical support and consider a transitional period for their entry into force.

To date, the Executive Branch has been analyzing this issue.



<sup>1.</sup> These agents are mainly those who have more sales than purchases in the Short -erm Market.

## OUR ECONOMIC PERFORMANCE

At the end of 2019, net electricity sales recorded by ENGIE Energía Perú amounted to USD536.4 million, 3.0% higher than in 2018 (USD520.9 million).

The company's gross profit totalled USD205.1 million, an increase of 6.1% with respect to 2018, mainly explained by the update of energy prices in current contracts with free customers and distribution companies, and by the update of voltage prices.

Similarly, operating income totaled USD166.5 million, 11.2% lower than in 2018 and, finally, net income for 2019 was USD104.2 million, 3.7% lower than in 2018 (USD108.3 million). As of December 31, 2019, financial debt was USD612.41 million.

For more information, download our 2019 Annual Report at engie-energia.pe



net sales 2019

**USD536.4**<sub>MM</sub>

250,5 MUSD

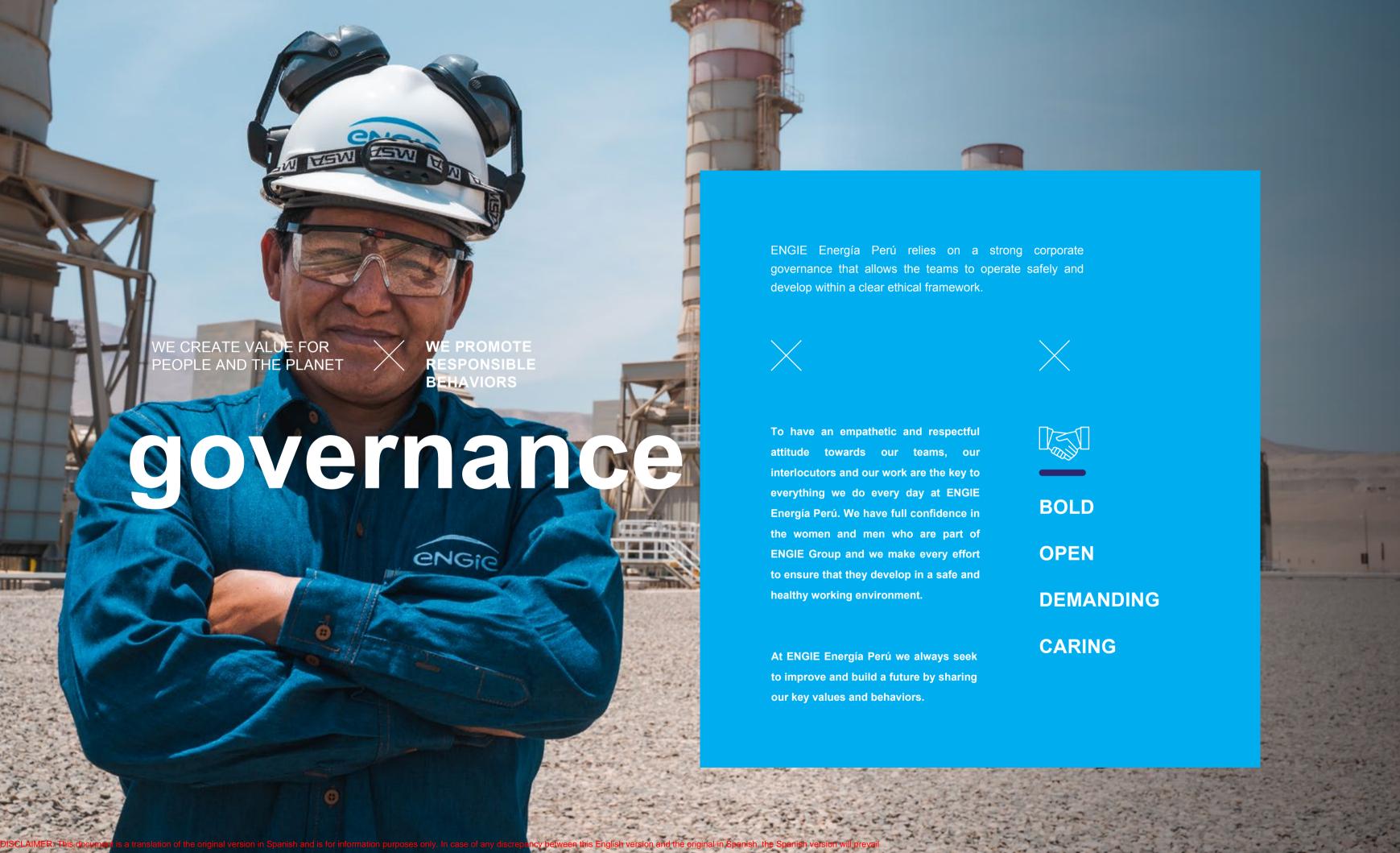
+3%

with respect to the previous year

#### 2019 economic performance indicators

	2019	2018 *
Net sales	536.4	520.9
Sales cost	331.3	327.6
Administrative expenses	22.5	22.4
Income tax	39.1	44.2
Net profit	104.2	108.3

\*Figures re-expressed according to IFRS16







**A RESPONSIBLE COMPANY, FROM** ITS EMPLOYEES **TO ITS CORPORATE GOVERNANCE** 

To execute its global strategic plan, ENGIE Energía Perú relies on strong governance, attentive to its environment and its stakeholders. Its Human Resources, Occupational Health and Safety policies, and also Ethics and Risk Management policies are fundamental decision-making framework of our Board of Directors and Executive Committee.

ranslation of the original version in Spanish and is for information purposes only. In case of any discrepancy between this English version and the orig

#### **X** CORPORATE **GOVERNANCE**

The members of ENGIE Energía Perú's Board of Directors represent the interests of all its stakeholders, including its shareholders, in order to respond to the new challenges that are transforming the energy sector of the country. They meet regularly to evaluate the strategy and the perspectives of the company by ensuring the completion of its objectives.

#### **BOARD OF DIRECTORS**

#### **FRANK** Demaille

**Regular Director** (June 2019 - To date) Male sex

#### **PIERRE**

Devillers

**Regular Director** (March 2019 - To date) Male sex

#### **DANTE**

Dell'Elce

**Alternate Director** (March 2016 - March 2019) Male sex

#### **MARIANA** Costa Checa

**Regular Director** (March 2019 - December 2019)

Female sex

#### **FERNANDO**

de la Flor Belaunde

**Regular Director (independent)** (March 2016 - To date) Male sex

#### **AXEL**

Levegue

**Regular Director** (May 2018 - To date) Male sex

#### **PHILIP** De Cnudde

Chairman (March 2016 - June 2019)

Male sex

#### **JOSÉ LUIS** Casabonne Ricketts

Regular Director (independent) (March 2016 - To date) Male sex

#### **MARC**

Verstraete

**Regular Director** (November 2018 - To date) Male sex

#### **STEFANO** Terranova

**Regular Director** (March 2016 - March 2019) Male sex

For more information, download our 2019 Annual Report at engie.energia.pe

#### **ALTERNATE DIRECTORS** 2019

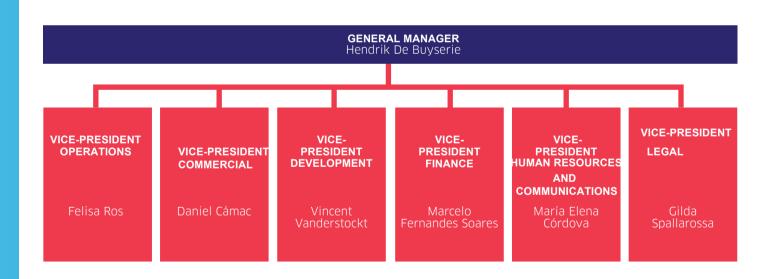
9	ALTERNATE DIRECTORS	PERIOD
7	Hendrik De Buyserie	March 2019 - March 2022
£.	Marcelo Fernandes Soares	March 2019 - March 2022
S	Daniel Cámac Gutiérrez	March 2019 - March 2022
133	Felisa Ros	March 2019 - March 2022
400	Gilda Spallarossa Lecca	March 2019 - March 2022

Our Executive Committee meets every week to make the our strategic decisions a reality by implementing actions that allow ENGIE Energía Perú to lead the energy transition in country. Our Executive Committee reflects the company's commitment to work for gender equality in the sector: Currently, 50% of our vice-presidents are women. Likewise, it should be noted that there is no relationship of affinity or consanguinity between the directors and the executive officials of ENGIE Energía Perú.



2 GOVERNANCE X WE PROMOTE

**BEHAVIORS** 

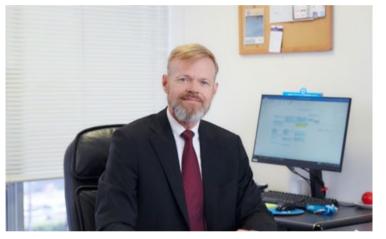




**FELISA** Ros Vice-President Operations



**DANIEL** Cámac Vice-President Commercial



**VINCENT** Vanderstockt Vice-President Development



**MARCELO** Fernandes Soares Vice-President Finance



MARÍA ELENA Córdova Vice-President Human Resources and Communications



**GILDA** Spallarossa Vice-President Legal

#### **RISK MANAGEMENT**

Risk management is essential to the achievement of our business goals and requires a culture based on operational excellence.

Our decisions, guided by our guiding principles on risk management, reflect our desire to integrate sustainable development factors, such as our impacts on communities or the environment, among others.

Identify, assess, mitigate, and monitor risks related to our assets, activities and operation is a job done continuously, allowing us to constantly improve our strategy, adapting it quickly to new or unknown risks that may appear in a very

dynamic market. The main categories of risks to which we are exposed are:

- Carbon-related risk;
- Regulatory changes;
- Information security (including cybersecurity);
- Operational risks (safety, environmental, reliability, and availability);
- > Project preparation and execution.

Once the risk has been identified and a mitigation system put in place, our management team ensures that it is well managed. It is managed through an internal tool allowing the evaluation of consequences and probability of occurrence,

assigning responsibility and standardizing our practices while continuing to improve year after year. Our risk management

- Operate
- > Anticipate and mitigate impacts on environment and society,
- > Develop and share best practices.

#### THE IMPORTANCE OF SUSTAINABILITY IN THE DEVELOPMENT OF NEW PROJECTS

During the development of a new project, we integrate factors and risks related to its environmental and social sustainability into the evaluation, planning and decision making.



Climate change mitigation



**Environmental** management, including water analysis impact and biodiversity protection



nearby

**Ethics** and **Involvement** of human rights communities and



Global protection of the people involved in our activities

This process is aligned with our commitment to the planet and the people who make up our stakeholders, with whom we seek to maintain close relationships, listening to their needs and concerns.

and interested

including their

communities,

development requirements

## WE LOOK AFTER OUR TALENTS

ENGIE Energía Perú's team, made up of more than 500 employees and trainees, is driven by the desire to design, offer and implement energy solutions that combine performance and sustainability, and contribute to progress in harmony.

We seek to identify, develop and promote internal talent, through a culture that encourages caring, boldness, demand, and openness. Making the most of the diversity of our team and using it as the main source of our collective strength, we seek the constant development of innovative ideas to ensure the sustainable growth of our company, in line with our business strategy.

#### **WE SEEK TO ACHIEVE 3 GOALS:**





**Ensure** an inclusive environment, promoting equal opportunities regardless of age, disability, gender, race, religion, and sexual orientation.



2

**Develop** a **culture** of **innovation** to create the energy solutions of tomorrow.





**Promote responsible energy consumption** and respect for the environment in our daily activities.



To achieve this, we have focused on developing the following initiatives:

- > Promotion of a culture of open and transparent communication.
- An objective wage policy, based on updated market data (external competitiveness) and grade (internal equity).
- A performance assessment system, with a focus on productivity and feedback for constant improvement.
- A learning program under the concept of "Community", integrating traditional training with online education, self-learning through research and

experiences such as our "On the Job Training" program.

- > The promotion of talent through potential assessments and development plans.
- The constant improvement in internal communication and integration activities.
- Good practices to strengthen motivation, fellowship, and teamwork.
- > The "Young Talent", "Young Engineers" and
  "Women in Energy" programs aimed at promoting
  employment in the country and the incorporation of young
  talents that can grow and develop in the organization.

#### **CULTURE** AND **LEADERSHIP**

**OUR CULTURE IS BASED ON THREE ELEMENTS** 

2 GOVERNANCE X WE PROMOTE

**BEHAVIORS** 

Contribute to progress harmony

Work under four key behaviors

Lead based on a Leadership Model



#### **KEY BEHAVIORS:**

1. We are bold. We dare to try it.

Focused on preparing for the future, we always look at the world from a fresh perspective, and strive to identify development opportunities for our companies. Backed by a community with huge potential, we believe that everything is possible and that we have the means necessary to succeed. Our history and diversity drive our desire to try new things, deliver new solutions, and take on new challenges.

2. We are open. We work together with collective strength.

With operations around the world, we have evolved through positive relationships and constant contact with our stakeholders. Our customers, suppliers, local authorities, regulators, colleagues, and communities fuel to new requirements, imagine new solutions, diversify our operations, and incorporate new skills.

- As a leader in energy transition and services, our goals set high standards for our teams. Our constant effort and aspiration for progress drives us every day to give the best to meet the needs of our customers and partners. Our collective commitment is what defines us and makes us unique.
- 4. We are empathetic. We build an environment based on trust and respect.

Our results are as important as the way we obtain them. Having an empathetic and respectful attitude towards our teams, our representatives and our work, is the key to everything we do every day at ENGIE. We have full confidence in the women and men who make up our team and we do everything possible to ensure that they develop in a safe and healthy work environment.

ginal in Spanish, the Spanish version will prevail

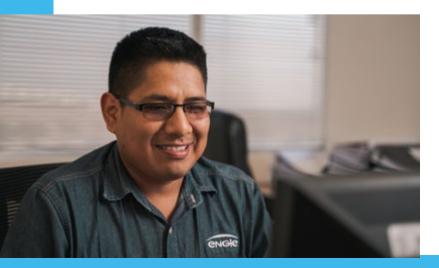
#### WE LOOK AFTER OUR TALENTS

#### **LEADERSHIP MODEL:**

We have a Leadership Way model at a group level directed to all our leaders at ENGIE, which is fundamental for our transformation. This model is integrated into each process of Human Resources; as into talent attraction, learning and personal development, performance, performance assessment, reward, and recognition.

The ENGIE path of leadership aims to develop a collaborative culture, new ways of working are emerging, based on people rather than organizations and processes.





#### **LEADERSHIP MODEL ABILITIES:**

- Prepare for the future: Leadership is at the heart of our transformation process. The leader's role is to empower his or her teams in the transformation, giving meaning to the changes and adopting the Group's strategy;
- Cultivate and give responsibility: ENGIE path of leadership aims to develop a collaborative culture, new ways of working are emerging, based on people rather than organizations and processes;
- Act and challenge the statu quo: Our ENGIE leadership way requires a genuine curiosity to understand the needs of customers and stakeholders, a desire to change the statu quo and to learn collectively from mistakes;
- 4. Delivery of results: Means that everyone is involved in developing a culture of performance and results. Each leader must set ambitious goals, take on responsibilities and clarify priorities;
- 5. Adopt inspirational behavior: Trust is the foundation of any transformation, earned through intentions of recognition and daily actions; trust defines the spirit of the ENGIE leadership way.





#### **CULTURE AND LEADERSHIP ACHIEVEMENTS IN 2019**

We know that our leaders play a fundamental role in the growth of all members of the organization. Therefore, during 2019 we carried out various activities aimed at strengthening the organization's culture, including a 360° evaluation for the group of leaders of the operations division, whose objective was to reinforce the abilities necessary for their development.



141

leaders trained in Leadership Way capabilities (ENGIE's Leadership model) and group Culture behaviors.

**83** leaders evaluated.





#### SHADOW EXCOM

As part of our strategy, in 2019 we implemented a new innovative and challenging initiative, called "Shadow ExCom".

In the company we have an Executive Committee, composed of the CEO and its vice-presidents, who make direct reports (we know it as ExCom). In parallel, we have implemented the Shadow ExCom, which is an Executive Committee formed by a group of millennials representing all areas of the company: Finance, legal, operations, etc. They are outstanding collaborators chosen by the leaders of their areas who evaluate and discuss the same agenda of the ExCom, with the objective of proposing solutions and strategies that might be different from those made by

the Executive Committee. With this initiative, we are opening up the possibility for the company to have more options, make better decisions and use the wealth of knowledge of employees who, because of their profile, think outside the box.

Projects proposed by the Shadow ExCom are evaluated by the ExCom and depend on the scope and availability of CAPEX (investments) to be implemented.

This type of initiative increases commitment, and boosts motivation. We are developing a group of future executives: It is a leadership course in practice, which is reflected in all collaborators, because they now feel that our organization is looking for new ways to improve what we do.

#### WE LOOK AFTER OUR TALENTS

#### **HUMAN RESOURCES**

#### 2019 Human Resources

Level	Total	Men	%	Women	%
OFFICIALS (Executive Committee and Managers)					
Regular	30	23	77%	7	888.5
Temporary	1	1	100%	0	531.1
EMPLOYEES					
Regular	415	364	88%	51	12%
Temporary	31	29	94%	2	6%
TRAINEES	26	9	35%	17	65%
TOTAL	503	426	85%	77	15%

503
COLLABORATORS

In 2019, 49% of external hirings have been covered by women.



which are divided as follows



**426** MEN

84.5%

Q

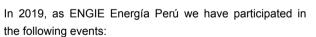
**77** WOMEN

15.5%

#### **GENDER EQUALITY**

Achieving gender equality is one of the challenges of the decade for the energy sector. ENGIE Energía Perú is strongly promoting the presence of women in the company and in management positions, and that is why we are constantly reinforcing our actions with a view to this objective.





- Energía Femenina que tranforma (Women's Transforming Energy) organized by "Women in Energy". It is a forum that highlights achievements, challenges and future activities for equality in hydrocarbon and energy companies.
- Women in Power, organized by ENGIE and IEEE (Institute of Electronic Engineering), which aims to promote the participation of more women in the energy sector.
- In addition, we received the visit of Women in Engineering PUCP Affinity Group in one of our power plants, where we have the participation of university students to promote engineering careers in a company of the energy sector.



#### **EQUAL PAY**

During 2019, we managed to check compliance with the Peruvian equal pay law, which aims to guarantee objectivity and transparency in the management of salaries in the Company.

According to information from INEI through the National Household Survey on Living Conditions and Poverty 2017, in Peru, in general, a woman earns 29% less than a man. In the private sector, this gap is 23.8%. At ENGIE Energía Perú S.A. the difference, on average, in a woman's pay is 2.2% less than a man's pay. This is explained by the level of experience and competences.

#### **EDUCATION AND LEARNING**

As part of our strategy to lead the transition to a carbonneutral future, at ENGIE Energía Perú we identify and promote learning through courses on business strategy, digitalization, customer, human rights, culture, environment, innovation, etc., among which the topics of Safety and Ethics stand out.

Our priority is people's safety; for this reason, throughout 2019, we organized courses such as "No life at risk", which aims to empower collaborators to be active individuals in their own safety and that of others. This course is directed to 100% of collaborators to teach them how to identify potential dangers that may occur at their workplace, differentiate incidents and accidents, as well as the protocol to follow. We also provide customized training for each position according to its risk level and daily work, giving courses for a target audience.

As far as ethics and human rights are concerned, ENGIE promotes its "Zero Tolerance" policy. Through learning resources we reinforce the ethical principles of the company and the action protocols as possible scenarios of bribery and deception that could appear in the day-to-day

business with suppliers, customers and external actors. Similarly, we internalize the Group's ethical principles in each collaborator: Acting in accordance with laws and regulations, acting with honesty and promoting a culture of integrity, showing loyalty, and respecting others.

Likewise, our training program seeks to contribute to the personal and professional growth of our employees, linking their interests to the business goals and allowing access to knowledge through virtual and/or face-to-face education.

- > 95% of collaborators have been trained.
- 20 facultative courses promoted during the year related to energy, innovation, digitalization, leadership, among others.
- On the job training.
- > 26 hours of training approximately by each collaborator.

#### PEOPLE EVALUATION AND DEVELOPMENT

Every year, our employees are individually evaluated to identify opportunities of improvement and growth in their skills, abilities and knowledge. In addition, we work under a constant feedback approach and accompany their performance through development plans, this being a two-way process.

This effort allows us to generate internal development opportunities such as apprenticeships, internal transfers, promotions, among others, and to identify the training and professional development needs of our collaborators.

- > 100% of the collaborators have undergone the performance evaluation process.
- 54% of vacancies have been filled by internal opportunities.



#### **WE LOOK AFTER OUR TALENTS**

#### **HUMAN TALENT**

Our selection processes are based on professionalism, objectivity and development of a diverse and inclusive workforce that allows us to achieve our business goals. We strive to create an inclusive environment for our collaborators, candidates and all those interested in following a career path at ENGIE, through equal employment opportunities, regardless of age, disability, marital status, race, religion, ethnic origin or nationality, gender, or sexual orientation.

#### > Talent attraction

At the end of 2019 we had 22 new hires, representing 52% of the total vacancies in the company. This indicator serves as a measure to determine the generation of employment opportunities as a source of progress for all involved, and is also an indicator that shows us the talent attracted to face the challenges of the energy transition from a fresh perspective.

#### Internal opportunities

Of the total number of vacancies in 2019, 42% have been filled by internal candidates, as one of our goals is to generate opportunities that allow for the labor development of our collaborators.

#### **Young Talent ENGIE**

In 2019, we started the Young Talent program aimed at university students interested in developing professionally in the energy sector and being part of an apprenticeship program in which research and innovation are encouraged through the development of projects, which are worked on throughout the training agreement. During the year, 27 trainees were selected under the program.

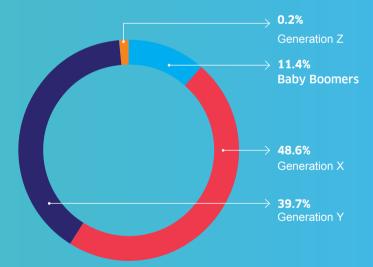
#### **PERSONNEL PER NATIONALITY**

Peru	495	†††	******
Argentina	1	<b>†</b>	
Belgium	2	ŤŤ	
Brazil	2	ŤŤ	
Chile	1	Ť	Lift.
France	1	Ť	
Guatemala	1	<b>i</b>	





#### **PERSONNEL PER GENERATION**



#### PERSONNEL PER GENDER



84.5%



15.5%



#### **ONBOARDING**

Our onboarding program is directed to the collaborators that join ENGIE. This program represents a wide view of our purpose, strategy, culture, activities, brand, among other elements that we consider as essential intangibles of great value, since it differentiates us from other companies in the field. Additionally, our onboarding includes an experience of the employee that goes from a corporate overview to an induction to the position, -specific and customized-, depending on each position, together with not only the human resources areas but also with a guiding companion, who is a reference of the area of the new employee.

Finally, as part of the inductions, we have training programs aligned with our strategy of being

leaders in the energy transition; the courses taken by the new employees embrace topics such as culture, health,

**BEHAVIORS** 

#### **BENEFITS**

ENGIE Energía Perú is concerned about offering an adequate work environment for its collaborators. Its main benefit is to belong to an organization that offers professional development opportunities through constant challenges and involvement in complex projects. It also offers a package of benefits that seeks to contribute to the quality of life of its collaborators, giving priority to the balance among work, personal and family life. These benefits are in accordance with the law, as well as other additional benefits at the initiative of the company.





#### **HEALTH AND INSURANCES**

- Health care insurance:
  - We offer a private medical insurance covered 100% by the company, applicable to the collaborator and his/her family (spouse and children).
- > Cancer insurance: Covered at 100% in network of affiliated clinics.
- > Statutory life insurance: Covered 100%> from the start of the labor relationship.
- **SCTR (Complementary Risk Work** Insurance): Covered in full and applicable to all the personnel (operational and administrative) providing 100% coverage in case of occupational accident.

#### Nursing care:

Nursing available in the power plants.



#### **EDUCATION AND FAMILY**

- > Education allowance:
  - We offer an annual amount to the collaborators, per child, with the objective of supporting in the expenses related to school and higher education.
- > Special protection of pregnancy and maternity, through flexible working hours, teleworking and special leave for pregnant women and mothers with young children.
- > Involvement with children's activities: The company grants "permissions" to mothers and fathers when it comes to important
- activities related to school-age children.
- Special licenses: For marriage, births, illness and death of relatives.
- > Economic aid due to
- Vacation allowance: The company grants a bonus to those collaborators who have worked in the company for at least 1 year.



#### **RECOGNITIONS**

- > Severance pay:
  - Collaborators who complete a fiveyear term of service receive an amount in appreciation for the time of service offered.
- > Assignment bonus:
  - The company grants an assignment bonus to collaborators who work in a power generation plant assigned outside their place of residence.
- > Performance bonus:

The bonus is granted to all collaborators, according to the result obtained in the Performance Evaluation (by objectives).

#### **CHALLENGES** 2020

During 2019, for the second consecutive year, the survey was applied in ENGIE&ME, obtaining a participation of 96% and satisfaction with commitment of the company to 90% sustainability



#### LABOR CLIMATE

We have ENGIE&Me, a survey carried out throughout the ENGIE Group to measure how we are progressing in the employee and business experience. The objective is to detect opportunities for improvement and to work on action plans in the different areas of the company. This survey is carried out annually through consulting firm Willis Towers Watson.

During 2019, for the second consecutive year, the survey was applied in ENGIE Energía Perú, obtaining a participation of 96% and satisfaction with the commitment of the company to 90% sustainability.

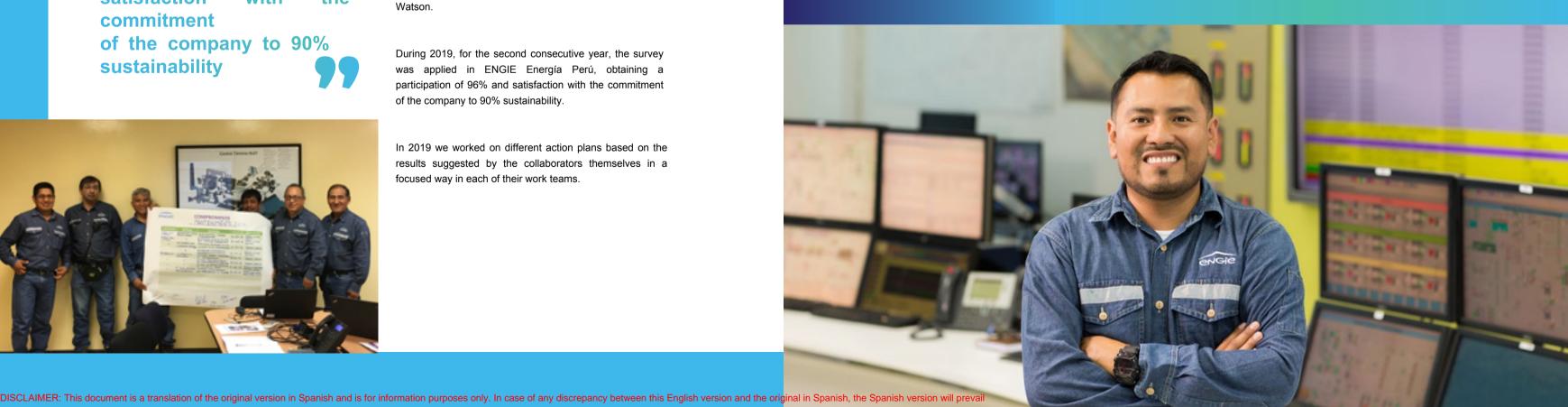
In 2019 we worked on different action plans based on the results suggested by the collaborators themselves in a focused way in each of their work teams.



Promote other means of efficient energy consumption among company's the employees.

Generate employment opportunities project future areas





#### **NO LIFE AT** RISK

Our personnel is the heart of the company: Their integrity is our strength and responsibility. Through our occupational health and safety policy we are concerned to ensure that no life is put at risk, and to prevent the occurrence of accidents or illnesses, for our collaborators. contractors, suppliers, and other stakeholders.



ENGIE Energía Perú has managed to build a proactive culture where the employee understands that he himself has to be the protagonist in order to take care of himself, take care of others and let himself be taken care of. Therefore, in the company we reinforce year after year the induction, awareness, training and coaching techniques in order not to suffer incidents and accidents of any kind.

Our preventive and training actions are mainly focused on 5 components:

- 1) Safety committees: All our sites, both operational and administrative, have committees made up of collaborators (unionized and non-unionized); in this way, we promote communication, participation and commitment of the personnel in all occupational health and safety issues.
- 2) On-going verification: To ensure that the controls and requirements for risk prevention are met by collaborators and contractors, we carry out five actions.
  - > Regular and unexpected inspections of facilities and buildings.
  - > Task observation and follow-up to medical examinations and occupational diseases.
  - > Permanent supervision of field work in order to ensure compliance with policies, standards and

procedures.

- > Permanent monitoring for the review of agents that may compromise health (noise levels, lighting, radiation, temperature, among others).
- > Technical and legal audits to ensure compliance with legal and regulatory requirements.
- 3) Leadership: We promote a behavior-based culture that includes the active participation of the chain of command. through the application of leadership techniques to routine occupational health and safety activities.
- Digitalization: Through the mobile application ENGIE Previene and other applications that allow us to have a feedback system to improve the time in reporting events that could compromise the safety of personnel or third parties. In addition, this application also allows us to record experiences and lessons learned that are then analyzed to implement improvements in procedures.
- 5) Training and coaching: We ensure that all the personnel working for ENGIE Energía Perú knows and applies the controls to prevent risks. The trainings are focused on 4 aspects: Risk control, emergency response, behavior improvement, specialized courses.



#### X NO LIFE AT RISK

#### **ACTIVITIES DEVELOPED IN 2019**



#### Our personnel exceeded the individual safety goals:

We improved by 50% the time in reporting events that could compromise personnel safety and recognized good practices.

- We relaunched mobile application ENGIE Previene.
- 3,891 preventive records in the whole ENGIE Previene
- > 1,214 "Safety Moments": reflection of risk situations
- > 120 walks by chain of command
- > 1,973 safety inspections
- 240 safety meetings
- > 130 good safety practices were implemented
- > 2,030 preventive reports sent



Feedback on status of observations: Through an application, personnel and areas are informed of the progress in the implementation of the reported observations



#### Analysis and improvement of safety procedures: Review

of our internal procedures and policies to improve and simplify them, and thus facilitate their application.

- > 14 reviewed procedures
- > 3 simplified procedures
- > 6 crossed audits to check compliance
- > Update of the Consequence Policy



#### **Awareness** strategy promoters: Involvement of collaborators safety communication strategy, motivating colleagues to protect themselves through their experiences.

- > Campaign to strengthen the commitment to the use of personal protective equipment (PPE) and that allow us to preserve our health to share with those we love most. 7 videos were made.
- Educational campaign to exemplify how procedures are done correctly before starting a job.

7 videos were made.

people recognized for their good safety performance.



#### Inductions, workshops, talks, among others:

> 6,380 hours of training in preventive topics.



comply

#### example: Empowerment of leaders to motivate collaborators to

> 238 safety visits to offices or power plants by vice-presidents, managers and heads.

WE CREATE VALUE FOR EOPLE AND THE PLANET

> Participation of our leaders, general manager and vice-presidents in communication campaigns and in 9 occupational health and safety videos.

measures.

- > Our operational leaders carry out training and raise awareness on OHS topics.
- > Monthly meetings held by leaders with their personnel.



#### Improvement of contractors' Safety and Health Management:

We carry out for our contractors the same preventive actions as for our staff:

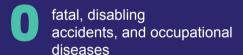
- > 2 annual meetings with contractors' managements to align values, policies and goals.
- > 1 annual campaign on OHS.
- > 2,200 training hours.
- > Approval and control of OHS topics.
- > Follow-up of performance on OHS, feedback and improvement plan by contractor.
- Monthly follow-up meetings.
- > Recognition of best performance.

#### **ACHIEVEMENTS**



We focus on developing a culture of prevention; raising awareness, training and coaching our team to stay alert to any event or incident that may put their well-being at risk.

Thanks to all the actions implemented in own personnel and contractors, the results for 2019 have been truly successful



in reducing incidents with respect to 2018

> **s**atisfaction in survey on Safety Culture applied to the whole personnel



#### ETHICS AND HUMAN RIGHTS

**BEHAVIORS** 

Our ethics policy is to act, everywhere and in all circumstances, in accordance with our fundamental ethical principles. Compliance with this commitment, as well as the principle of "zero tolerance" for fraud and corruption, is strictly monitored by the Board of Directors and the Executive Committee of ENGIE Energía Perú.



Our system is based on policies, procedures and a rigorous process of application and control:

- > Ethics Charter, describes our ethical principles.
- Practical Guide to Ethics, tdetails and illustrates the practical application of our ethical commitments.
- Assessment of ethical risks
- > Alert and notification mechanism
- Ethical incident reports, whether claims or proven incidents, through our Ethics Official and Ethics Committee. Each reported fact is subject to analysis and investigation and followed, when appropriate, by sanctions and corrective actions that allow us to consolidate and strengthen our ethical model.



Trainings are structured considering the specific roles and responsibilities of the employees.

In 2019, ENGIE Energía Perú trained its personnel on the scope and content of its ethical principles, zero tolerance of fraud and corruption, prevention of conflicts of interest and commitment to respect for human rights.

In addition, ENGIE Energía Perú held meetings during the two semesters of the year with the suppliers of each of its sites (Lima, Chilca, Ilo, Yuncán, and Quitaracsa), in which it disseminated its ethical principles, its commitment to respect for human rights, as well as its policies for the Prevention of Conflicts of Interest and of Gifts and Hospitality. These meetings seek to highlight the obligation of suppliers to comply with ethical principles and the rejection by ENGIE Energía Perú of any practice that is contrary to such principles and applicable laws. A total of 50 suppliers participated in these meetings.

It should be remembered that suppliers are obliged to comply with ethical principles and applicable laws, as well as to respect human rights according to these obligations, as stated in our Ethics, Environmental and Social Responsibility Clause. 100% of the contracts with suppliers had the Ethics, Environmental and Social Responsibility Clause.

Also in 2019, a specific policy on the prevention of conflicts of interest was launched to all ENGIE Energía Perú personnel and the understanding of the principle of "know your counterpart" was promoted internally as a fundamental stage prior to the beginning of any relationship of ENGIE Energía

#### THE ANONYMOUS CLAIMS CHANNEL

ENGIE Energía Perú has an anonymous claims channel called RESGUARDA, which is managed by an external supplier. This system, which is open to all employees and external stakeholders, covers all types of corruption and fraud, including ethical incidents. The alert can be initiated by e-mail, by a free phone call or through a virtual questionnaire on the website.

This alert is received by the service provider who transmits the report anonymously to the company. In 2019, at ENGIE Energía Perú, the claims channel was disseminated within the company, as well as to the different stakeholders. Likewise, through the Complaints and Claims Procedure (PQR), the concerns of the communities and localities of each of the operating sites were addressed.

#### **HUMAN RIGHTS**

The "Human Rights" framework and policy are the basis of the Group's monitoring approach in the area of human rights. They formalize ENGIE's commitments and provide for the identification and management of risks of noncompliance in this area for all our activities. At ENGIE Energía Perú we respect the commitments related to to human rights, and we seek to ensure that these are equally respected by our counterparts. Respect for human rights of the populations and farmer communities that are in the vicinity of our operational sites is fundamental for peaceful and lasting coexistence and neighborliness.

Our commitment to ethics and compliance with applicable laws is in line with good corporate governance and is structured in our ethical principles, achieving its realization with the mechanisms of accompaniment, training and control. We also incorporate the obligation of compliance with ethical and anti-corruption policies, as well as respect for human rights into contracts with our suppliers through an ethics, environmental and social clause. 100% of the contracts with suppliers had the Ethics, Environmental and Social Responsibility Clause.





# WE CREATE VALUE WITH AND FOR OUR PARTNERS

At a global level, ENGIE is committed through its Corporate Social Responsibility policy to propose a safer energy, with a better consumption, accessible to the majority and respectful of society and the environment.

In Peru, we make that commitment a reality every day. We contribute to the country's power supply by satisfying the people, industries and cities that increasingly demand renewable energy and smart green solutions, supporting the development of our suppliers' neighboring communities, driving innovation in the sector. We seek to develop actions that demonstrate our willingness to accompany changes in society and behavior, integrating the principles of sustainability into all our strategies, starting with the commercial one, in order to optimize the creation of value in line with our partners.





2019 SUSTAINABILITY REPORT

# DIALOGUE WITH OUR STAKEHOLDERS

Stakeholders are at the heart of our Corporate Social Responsibility policy, and their needs, expectations and goals are constantly changing. That is why we regularly review and update the information related to various important topics to them, and include them in our management to ensure that the activities are creating value for and with our partners.



AIMER: This document is a translation of the original version in Spanish and is for information purposes only. In case of any discrepancy between this English version and the original in Spanish, the Spanish version wi

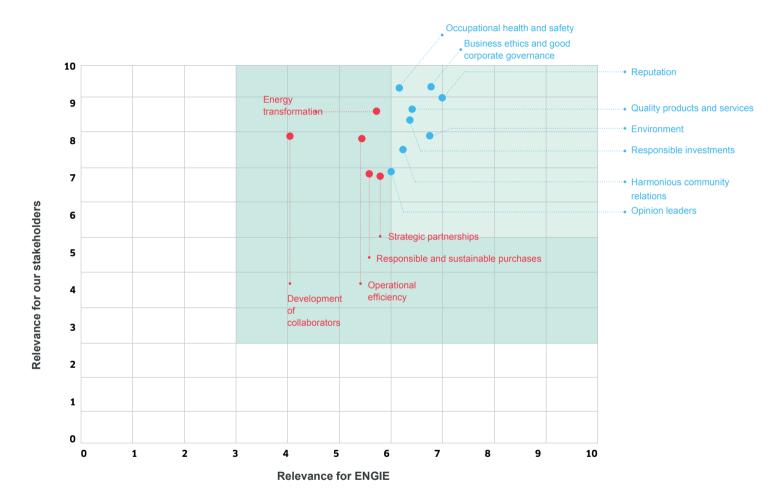
We keep a permanent communication and relationship with our different stakeholders, to whom we inform about our activities in a timely manner. Furthermore, we care about listening to their suggestions, answering their questions and working in an environment that allows us to grow in harmony.

From this dialogue our materiality matrix is created, configured as a dynamic tool that allows us to closely monitor those issues that are relevant to our stakeholders and the company.

Our stakeholders	Communication channels
Employees	Intranet Sonrie, bi-monthly newsletter, ENGIE&ME survey, corporate e-mails, training, internal campaigns, among others.
Customers	Direct contact points, Engie@ net customer extranet, annual customer meetings, strategic events, website, bi-monthly newsletter, among others.
Communities	Community relations, information meetings, suggestion box, visits to power plants, phone calls, among others.
Authorities	Work meetings, participation in local committees and institutional relations through formal channels.
Suppliers	Training, meetings, consultations on receipts, phone calls, e-mails, among others.
Investors	Shareholders' meetings, conference calls, corporate presentations, Management analyses, sector reports, corporate website, telephone calls, among others.
Directors	Board sessions, Committee meetings, presentations, website, among others.
Mass media	Meetings, press releases, relationship events, website, phone calls, among others.



#### **MATERIALITY MATRIX**



According to the matrix, each of the topics becomes a challenge. Those topics that are in the first quadrant (from 0 to 3) should be monitored to classify their evolution, which could become an eventual risk opportunity.

The topics in the second quadrant (from 3 to 6) are those

important for the permanent administration of the

business and those already identified as generating value in the short, medium and long term. Finally, those of the first quadrant (from 6 to 10) are crucial challenges directly related to the performance of the business and the development of the business model in the short term.

2019 SUSTAINABILITY

**REPORT** 

ENGIE Energía Perú conceives its long-term performance with an environmental policy contributes to the transition to a carbon-neutral economy. We strive to understand the interactions between our activities and the environment in order to propose more relevant responses, taking into account the impacts of climate change and striving to mitigate them.

Our environmental policy allows us to ensure the proper environmental performance of operations and projects, through procedures and actions that focus on 5 core themes:

#### **ENVIRONMENTAL PERMITS**

authorities such as the Ministry of Energy and are periodically verified Mines (MINEM) and the by the Agency for National Environmental Environmental Certification Service for (SENACE), the National among others.

#### **ENVIRONMENTAL MONITORING AND** SURVEILLANCE

In compliance with the ENGIE Energía Perú complies with the regular flora and fauna, slopes and ecological flows. The applicable permits and Assessment and Control (OEFA)

#### **ENVIRONMENTAL ACCIDENT AND** INCIDENT **MANAGEMENT**

As part of local and It is developed according

#### **ENVIRONMENTAL** MANAGEMENT PROGRAM (EMP)

certification of of environmental aspects Perú has their own EMP, which includes actions to comply with applicable legal commitments and annual

under construction.

#### **COMPREHENSIVE** WASTE **MANAGEMENT**

ENGIE Energía Perú, in



#### WE TAKE CARE OF OUR PLANET BY CREATING ITS FUTURE

#### **2019 HIGHLIGHTS**

#### **Environmental training and awareness**

Our personnel participated in a total of 33 talks and events on environmental awareness. 60 inhabitants of the city of Ilo (Moguegua) were trained in environmental monitoring as part of the actions of the Participatory Environmental Monitoring and Surveillance Committees.

#### Beach cleaning

Cleaning Campaign "In Harmony with our Beaches", to improve the health conditions of the beaches of Chilca and Ilo.

#### **Environmental campaigns**

During the year, two environmental campaigns were carried out at each of our operating sites with the participation of more than 80% of the personnel. These campaigns included: Waste management, promotion of recycling and reclamation, reforestation, environmental fairs, among others.

#### **Hour of the Planet**

As part of its Environmental Program "By taking care of the present, we create the future", ENGIE, in collaboration with the Municipality of Lima and the WWF, celebrated the Hour of the Planet by implementing solar benches in the Main Square of Lima and in the district of Miraflores, trying that the population learn about the benefits of solar panels and how they allow us to reduce carbon dioxide (CO2), energy costs and the impact generated on the environment because of its presence.

#### Recertification 14001 standard

ENGIE Energía Perú passed with "0 non-conformities" the recertification audit of the ISO 14001 standard.

#### Environmental monitoring and supervision - OEFA 0 findings in 12 OEFA unexpected supervision actions to our 8 power plants. This demonstrates the continuous preparation, training and compliance with standards required by law and

those proposed by the company.

#### Vehicles 100% electric for operations of the Power Plant ChilcaUno

In line with its strategy of transitioning to a carbon-neutral future, ENGIE incorporated two new electric vehicles into its operation for its site in Chilca. With these two new vehicles, the company totals nine electric vehicles distributed among its sites in Moguegua, Chilca, Ancash, and Lima. The electric vehicles travel approximately 300 km daily to transport company personnel between their site in Lima and the power generation plants located in Chilca. For power supply, ENGIE has installed an electric charger that recharges the vehicle 100% in approximately 2.5 hours.

#### **Energy efficiency**

During 2019, ENGIE Energía Perú developed an energy efficiency project at its corporate headquarters located in the district of San Isidro. The "Sustainable Building" project consisted in improving the air conditioning and lighting system, considering its operation by occupation to avoid operating environments without personnel within them. The replacement of conventional lights with intelligent LED lights was also implemented (increase in efficiency by 45-60%), as well as having solar control films to reduce the incidence of UV radiation and, consequently, reduce the thermal load within the facilities. The project implemented will allow an overall energy saving of 40%.

#### Sustainable events

We have decided to measure the carbon footprint of our external and internal events, such as customer activities and meetings, annual internal communication and fellowship meetings, as well as the Energy Race in Ilo in order to offset the direct and indirect GHG emissions generated. 53 tons of CO2e were emitted by our events and offset by the acquisition of carbon credits from the Cordillera Azul National Park REDD+ Project, thus contributing to the conservation of this protected area and the well-being of the communities settled in its buffer zone.

#### Measurement of carbon and water footprint in corporate offices

In 2019, we measured the carbon and water footprints generated at the San Isidro corporate offices, and then implemented reduction/compensation strategies over the next few years.

- > Greenhouse gas (GHG) emissions of scopes 1, 2 and 3, corresponding to our activities, were 821 tCO2e. This is equivalent to what 68,423 trees compensate in one year.
- A per capita of 4.9 tons of carbon dioxide equivalent per collaborator was obtained, that is, the carbon footprint generated by each ENGIE collaborator in his/ her work activities was 4.9 tCO2e.
- Our water volume consumed was 734 m3/year, within which it has been estimated the water volume consumed indirectly through our main inputs: Electricity and paper, which was 76,657 m3/year.

**EMISSION AND CONSUMPTION MEASUREMENTS** 

#### Carbon **Footprint**



2,000,498 T

were emitted in all our power plants, coming from the following sources:

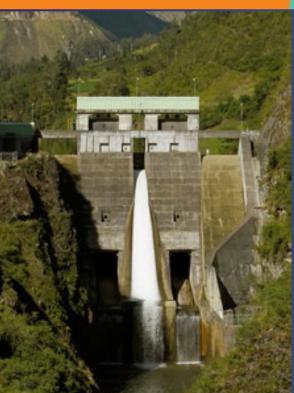
- > **91.9 GWh** (coal)
- > **9,696.6 GWh** (natural gas)
- > 30.2 GWh (heating oil, gasoil, light gasoil)

821 T

of CO2 were emitted in our corporate offices

53 T

of CO2 were emitted in our events



#### Waste Management



Operators (EO-RS), complying with the disposal of these wastes

of non-hazardous waste

plastic, glass)

power plants

of hazardous waste

hydrocarbons, chemicals, insulation waste, batteries,

were recycled or treated depending on their

#### Water Management



77,707 m<sup>3</sup>

of reused water, after being treated at the wastewater treatment plants, and destined to irrigation of green areas, at the Ilo2 and ChilcaUno power plants.

137,341 m<sup>3</sup>

of total freshwater and non-

freshwater consumption

**734 m³/YEAR** 

in corporate offices.

35.2 GWh

of grid-supplied, non-production-related electricity were consumed at all our sites

9,818.7 GWh

of primary energy from natural gas, coal and gasoils, related to energy production were consumed at all our

2019 SUSTAINABILITY REPORT

# WE CONTRIBUTE TO THE PROGRESS OF OUR COMMUNITIES

the social and economic development of the communities in its areas of influence, promoting dialogue and constant feedback to create joint alternatives. The company boosts programs, projects, campaigns, and activities of social responsibility, benefiting 38,000 people in Chilca (Lima), Huachón and Paucartambo (Pasco), farmer communities of Kiman Ayllu and Quitaracsa, Huallanca (Ancash), and Ilo and Moquegua (Moquegua).



Our lines of intervention have focused on the areas of:

#### > Productive and economic development:

We seek to strengthen the technical and infrastructure capacities of small local entrepreneurs, in order to strengthen the adequate management of local businesses for their insertion in commercialization chains or to start their own enterprises and thus improve the standard of living and increase family income.

**Social infrastructure:** Investment in local infrastructure allows reducing the basic needs

in terms of education, production, community, recreation, and connectivity.

## **Education and culture:** Actions and projects focused on the education of children and young people, through the improvement of facilities, provision of school supplies and specialized training.

#### > Health and well-being:

We reinforce knowledge for the prevention of diseases, through comprehensive health campaigns, and promote sports as a means to have a healthy life.



#### $\mathbf{3}$ connection $\mathbf{ imes}$ hand in hand **STAKEHOLDERS**

#### WE CONTRIBUTE TO THE **PROGRESS OF OUR COMMUNITIES**

#### PRODUCTIVE AND ECONOMIC DEVELOPMENT

In all the areas where we operate we seek to develop and strengthen the capacities of the local populations, through the facilitation of field schools, technical assistance and apprenticeships for the training of farmers, identification of emerging industries. accompaniment for the formation of associations, application for grant funds, training scholarships and certification workshops for local people..., our most important program being that of Agricultural Enterpreneurships.

Agricultural Entrepreneurship Program: Near the Yuncán Hydroelectric Power Plant, Pasco region, 79% of the inhabitants develop field activities. These small agricultural producers produced potatoes, corn, peas, and cereals on micro-plots. But paradoxically, in spite of the water sources, they did not use irrigation systems nor were they integrated into marketing networks.

Eight years ago, after learning about this problem, ENGIE Energía Perú started the development program "Agricultural Entrepreneurships", which has allowed 9,662 inhabitants of villages belonging to the districts of Paucartambo and

Eight years ago, after learning about this problem, **ENGIE** started the development program "Agricultural Entrepreneurships", which has allowed 9,662 inhabitants of villages belonging to the districts of Paucartambo and Huachón to improve their family income and the producers to expand their technical knowledge for the management of fruit trees.





Huachón to improve their family income and the producers to expand their technical knowledge for the management of fruit trees. Today, their lands yield more, they have improved their competitiveness and are coordinated with competitive markets.

After replacing crops with promising fruit trees, the next component was to work on association mechanisms. In this regard, "Agricultural Entrepreneurships" has promoted, financed and accompanied the legal formation of two producer associations: CEPROVAPP, which groups 48 farmers from the annexes of Tindalpata, Huambrac, Agomarca from the villages of Huallamayo, Santa Isabel and Auguimarca, in the district of Paucartambo. And CEPROSACQ, which groups 52 farmers from the annexes of Pampa Inca, La Florida; from the villages of Puagmaray and Quiparacra, district of Huachón.

ENGIE Energía Perú managed the commercial articulation of the granadilla and rocoto crops, closing the year with volumes of six tons of fruit in the last guarter. Both associations participate in exhibitions in search of better markets for their crops. Soon, a pulping line will be implemented in their processing plant, which will give greater added value to their crops.

**ACHIEVEMENTS** OF AGRICULTURAL ENTREPRENEURSHIP **PROGRAM UNTIL 2019:** 

483

productive processes (107 beneficiaries in

production with crops of higher demand and at better prices.

beneficiary: from S/ 7,500.00 in 2011 to

**S/25,300** 

in 2018 average/year, up to 11% increase

contracts signed.

Sanitary Authorization issued by SENASA.

#### WE CONTRIBUTE TO THE PROGRESS OF OUR **COMMUNITIES**

#### LOCAL INFRASTRUCTURE

We identify, improve and maintain all types of infrastructure that are necessary for transportation, education, sports, entertainment, work and/or safety in the communities where ENGIE Energía Perú operates. We even donate internet and telephone services so that people in our areas of operation have access to globalized information.

#### **EDUCATION AND CULTURE**

We strengthen the capacities of schoolchildren in science, physical education, environment, citizenship, and career guidance, in addition to providing them with the necessary support for the start of classes in 2019. In this context, we continue to organize the Energy Race for 18 consecutive years, in coordination with educational centers, the Local Educational Management Unit (UGEL), the Provincial Municipality of Ilo (MPI), the Peruvian National Police and the Red Cross, among other partners, and in which more than 1,800 athletes from Ilo and Moquegua participate. We have also conducted guided visits to our sites to contribute to the career guidance of students in Chilca and Moguegua. Organization of La Voz de la Energía, an artistic festival with more than 3,000 participants in Ilo, which seeks to generate an artistic and cultural space to promote the discovery of new talents and boost local culture.

#### **HEALTH AND WELL-BEING**

Implementation of health campaigns planned by the Peruvian State: oral hygiene, integral health, preventive health "Clean hands, healthy lives", workshops and healthy diet contest to contribute to the reduction of anaemia and malnutrition.

**2019 ACHIEVEMENTS** 

100%

of activities covered by an adequate mechanism for dialogue and consultation with stakeholders.

of operating areas with an integrated environmental management plan developed in conjunction with their stakeholders.

38,000

beneficiaries from social actions.

**S/1,300,000** 

in investment in local infrastructure development.

100%

of operations with local community participation in joint value creation (including identification and solution of common problems).



#### SUPPORT TO EMERGENCY SITUATIONS IN 2019

ENGIE supported llo and Moquegua in the face of natural disasters in March and April 2019

ENGIE Energía Perú distributed 90,000 gallons of water in the areas affected by mudslides and avalanches through a tank truck provided by Empresa Prestadora de Servicios de Saneamiento (EPS IIo).

On these dates, water was supplied to different areas and human settlements such as Santa Rosa, which has more than 7,000 inhabitants and is located in the most remote area of the province of Ilo.

In addition, water cans were delivered directly to more than 18 farmer families living in the Moquegua Valley in the farms of La Rinconada.

ENGIE employees donation made ENGIE Energía Perú employees joined efforts to collect donations of bottled water, hygiene items, nonperishable food, and masks for the victims of San Juan de Lurigancho who were affected by flood in mid-January 2019.

Through the NGO TECHO, the collection from the different offices and power plants was handed over to families affected by the emergency in the geographical areas of intervention established by the Government.

With more than 22 years of presence in the Peruvian market, we are a long-term partner for our different customers, to whom we supply the necessary energy for their operations and growth of their businesses.

Today, in line with ENGIE Group's business strategy and based on our global experience, we seek to go beyond energy to identify our customers' needs and offer solutions that contribute to the sustainability of their businesses. Therefore, our commercial proposal is focused on selling Power Purchase Agreements (PPAs) and on developing customized energy solutions that contribute to a more efficient and responsible consumption of energy, through the use of new technologies.

Our commercial approach is aimed at the following segments: >

- 1. Cities and communities: Governments, universities. hospitals, transport, and distribution.
- 2. Industry: Mining, refining, iron and steel, cement, beverages, and food.
- 3. Properties: Shopping centers, supermarkets, department stores. corporate buildings, telecommunication companies, and data centers.

Our communication is continuous because we want to be close to them to understand their problems and needs, and evaluate how we can help them through ENGIE's experience at a global level

#### **BEYOND ENERGY**

- Emergency response We add value to our supply contracts.
- Energy efficiency We identify opportunities for improvement and develop solutions to ensure energy savings.
- Renewable solutions
- We offer clean and renewable energy and the possibility to generate their own energy to customers interested in reducing their carbon footprint.
- **Green Mobility** 
  - We put technology at disposal for sustainable transport.

#### WE BRING TECHNOLOGY CLOSER

In order to strengthen the links with our customers, show them our solutions and promote new technologies, we have participated in different strategic events during 2019, the most relevant being the Lima 2019 Pan American and Parapan American Games, Mining Convention: PERUMIN and Cade Executives

Furthermore, we have taken technology to our customers' own facilities, such as benches powered by solar panels for loading mobile equipment in shopping centers, airports, industries, among others.

FOR A CARBON-

NEUTRAL FUTURE

Finally, we took our electric bus to visit customers and potential customers nationwide, including mining companies, industrial companies and distribution companies, through pilot projects. The most relevant experience was with Gold Fields La Cima S.A. in its Cerro Corona mine, located in Cajamarca at 3,600 meters above sea level, where we put into circulation the first 100% electric bus for Peruvian mining and managed to install the highest electric charger in the world.

#### PERMANENT ATTENTION

We have different channels to keep a constant and timely communication with our customers.

- Single point of contact: Specialist responsible for dealing with requests relating to the power supply contract.
- EngieNet Portal: On-line platform that allows our customers to access in a safe and reliable way to current and historical information about consumption, invoicing and prices; as well as virtual courses related to the electricity market.
- **ENGIE Control Center:** 
  - Specialized division in charge of the management and/or coordination of events related to the power production and supply in real time. The personnel is available 24 hours a day, 365 days a year.
- Angie: Chatbot dedicated to attend consultations quickly in the moment and place that the customer needs it.

Our good relations with customers and our interest in adding ever greater value are evidenced by the results of our satisfaction survey, which in 2019 reached 90% overall satisfaction among the customers surveyed.



We have a portfolio of customers at national level, among free customers and distribution companies that add up to a contracted power - at peak times - of 1,857.2 MW. In 2019, we signed 41 new contracts for a total of 403.6 MW and 43 addenda to existing contracts for a total of 85.7 MW.



IN D#

Inno

## WE INNOVATE WITH OUR CUSTOMERS



"Innovation is a key part of the future and of the transformation strategy of the ENGIE Group worldwide; moreover, it is a responsibility of all of us who are part of the company to continue creating and adding value to our customers, environment, communities, and society in general", pointed out Rik De Buyserie, CEO of ENGIE in Peru.



ENGIE Innovation Day 2019 is a space to meet with innovative ideas that set the standard in the country. Experiences, innovative stories, avant-garde ideas, and sources of inspiration summarize what was experienced at ENGIE Innovation Day 2019; an event we organized to promote and create a culture of innovation both in our personnel and stakeholders, in view of the challenges and needs faced by the world today.

transformation strategy of ENGIE Group worldwide; furthermore, it is a responsibility of all of us who are part of the company to continue creating and adding value to our general", highlighted Rik De Buyserie, ENGIE's CEO in

Also, recognized actors of the world of innovation in Peru participated, such as Mariana Costa, cofounder of Laboratoria, Juan Alberto Flores, Ynnovadores, Gonzalo Ugarte, Tuten Labs Chile, Simone Botton, ENEL Distribución, Alain-Paul Michaud, IBM Watson, among others.

ENGIE Innovation Day 2019 brought together more than 10 startups and projects, 24 pitch talk presenters, 5 top speakers from different companies such as Ishop, LG, Scotiabank, Laboratoria, UTEC, Cálidda, Esan, Suez, among others; and more than 200 participants interested in innovation for Peru and progress in harmony. It should be noted that the event was held as part of ENGIE Innovation Week 2019, the world meeting of startups and innovation that the company holds simultaneously in 25

Peru: https://youtu.be/iR3Wo\_F-IY0 ENGIE: https://www.youtube.com/watch?v=kOW\_ zsw7-Bs (worldwide innovation week)

# WE BOOST THE SECTOR

The energy sector in Peru is characterized by a high level of competition among its actors in the commercial field, which, developed within a demanding ethical framework, translates into an advantage for the customers as it leads to constant innovation and the transformation of relationships into partnerships. These same actors usually collaborate in an institutional framework with the purpose of contributing to the development of the country in harmony with the people and the planet, originated by quidances, directives and decisions proposed by the different public entities.



ENGIE Energía Perú intends to lead the energy transition through a transparent relationship with the public entities where it has its operations and headquarters, as well as with the Ministry of Energy and Mines (MINEM), its supervisory ministry. Furthermore, convinced that sustainable urban mobility and management are important for the future of the planet, we collaborate with the Ministries of the Environment (MINAM) and Transport and Communications (MTC), through round tables and events, to promote the development of electric mobility and Intelligent Cities, which would allow us to consume better and less energy.

3 CONNECTION X HAND IN HAND WITH

**OUR STAKEHOLDERS** 

With the same intention, we relate to several unions and associations:

- The Automotive Association of Peru (AAP) and the Business Association for the Promotion of Electric Mobility (AEDIVE) to build an ecosystem in favor of electric vehicles;
- The National Society of Mining, Petroleum and Energy (SNMPE), the Institute of Mining Engineers of Peru (IIMP) and IPAE - Entrepreneurs for a Developed Peru, to participate in the modernization and dynamism of the energy sector;
- The Chambers of Commerce of France, Canada, Ilo, and Chilca to strengthen the economic link around our activities.

Whether with the authorities or with the unions, our institutional interactions are carried out formally through work meetings, exposure in public events, participation in local committees and institutional relations in strict compliance with the Ethics Charter, the Practical Guide to Ethics of ENGIE Energía Perú and the Group's lobbying code



## × LEADER IN ELECTRIC MOBILITY

In 2019, ENGIE Energía Perú remains the leader in electric mobility in the country. According to MINEM, the transport sector consumes 45% of the energy produced in the country. By investing in green mobility and participating in the development of intelligent cities, we contribute with our customers by reducing their carbon footprint, helping them to be efficient in their energy consumption and proposing a pe sustainable transport model through clean technologies and, in turn, producing renewable energies.

In 2019, we have successfully completed several projects, including:

A mining bus pilot: 1st electric charger installed at 4,000 masl, the performance of an electric vehicle at height and operational savings, as well as CO2 reduction were validated.

- An electric vehicle pilot: The operational and CO2 reduction savings in the Línea Amarilla concession and in the taxi fleet in Arequipa were validated.
- > The ALD Automotive / Peugeot agreement: 1st electric mobility product based on a renting model with electric vans.
- > 2 electric vehicles Hyundai Ioniq were implemented for personnel transportation at our power plants in Chilca.
- > Partnership with Porsche for the installation of an electric charger.
- Provision of a fleet of electric bicycles for ENGIE's personnel in Lima.

In the short term, the challenge for the entire electric mobility sector is to do business in a scenario where there is not a diversified supply of vehicles, where we must deal with other technologies (NGV, LPG) and where the regulations have not become into effect yet for its implementation.

3 CONNECTION X HAND IN HAND WITH

**OUR STAKEHOLDERS** 

At ENGIE we demand that our suppliers manage their business activities in accordance with the standards of quality, occupational health and safety, environmental regulations in force and professional ethics.



Contractor management: We consolidated the use of the SSOMA (Occupational Health and Safety and Environment) Guide, in order to ensure compliance with labor standards, reduce the risk of accidents, strengthen work ethics, and allow market competition.

- Ensures compliance with safety and environmental standards assumed by contractors.
- Approval of requirements for contractors in relation to SSOMA at all the sites.

#### **ACTIVITIES DEVELOPED**

**Contractor approval:** Focus on the evaluation of suppliers' Safety processes, to ensure that they share the same standards as ENGIE.

More than 60 contractors have a valid Certificate of Approval.

**Responsible purchasing:** Initiative that seeks to promote the purchase of products from local suppliers, to contribute to the growth of suppliers in our area of influence.

12% of our national purchases are local.

**Performance evaluation:** Continuous improvement tool that allows us to identify improvement opportunities in the execution of services in our power plants.

> 1,431 performance evaluations received.



#### **ACHIEVEMENTS AND RESULTS**

- > 100% of contract managers trained in SSOMA Guide.
- > Responsible purchasing: 12% of our purchases come from local suppliers in our areas of influence.
- 1,431 services with performance evaluation through the tool to identify opportunities for improvement.
- 60 contractors with Certificate of Approval with ENGIE standards (Environmental, OHS, Ethical, among others)
- Regular meetings with contractor management to share ENGIE standards related to OHS, Environment, and Ethics; and exchange development ideas.

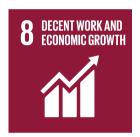
# WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS

ENGIE Energía Perú joins the effort coordinated by the United Nations Organization to transform the world: Our business model contributes to and positively impacts 10 of the 17 Sustainable Development Goals:

# WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS



We prioritize health and well-being of our employees and contractors from a global approach, ensuring the prevention of physical and psycho-social risks and promoting healthy life habits, in an optimal organizational climate. In addition, we encourage health awareness and education to promote active and healthy life in the communities near our areas of operation.



We contribute to the development of the communities in our areas of influence, fostering constant dialogue and feedback in order to create joint development alternatives. As a company we boost programs, projects and activities that promote training opportunities and support to entrepreneurship, getting the population to organize and boost their local and family economies, thus improving their working conditions.



We promote and develop strategies to achieve gender equality. We take into consideration aspects such as respect in the work environment, making an equitable adjustment to the salaries of all company collaborators and strengthening women's participation and intervention in decision-making. In our operating areas, we prioritize the design of projects with female entrepreneurs so that they can achieve their economic independence and personal growth.



We innovate to develop increasingly sustainable infrastructure, seeking to reduce CO2 emissions, pollution and promote energy efficiency in cities and buildings, which helps to reduce environmental impact and improve the management of natural resources. In the case of the communities where we operate, we help them by acquiring efficient agricultural technologies, promoting digital agriculture and applying new techniques to agricultural production.



ENGIE's raison d'être is to lead the energy transition to a carbon-neutral economy. In order to reach this goal, we accompany our different stakeholders so that they bet on a sustainable development of their activities with less emissions and a better energy consumption. Our commitment, in the medium term, is to increase our energy production from renewable sources, as well as to promote initiatives to minimize the gaps in access to energy services in the most remote communities.



We promote the social, economic and political inclusion of all people, especially the most vulnerable groups. For this reason, we focus on providing adequate and fair working conditions throughout our value chain, as well as adequate conditions and wages for our employees. In addition, we boost the local economies where we operate, using local labor and suppliers.



We focus on providing sustainable energy solutions to ensure the well-being of people, improve their quality of life and generate development in cities without compromising natural resources or the well-being of future mankind.



We are aware that as an energy company our essence is directly linked to this goal and, in turn, it is one of the most urgent risks to be addressed as a society. For this reason, we have taken an active role searching to reduce our carbon footprint and that of all the stakeholders with whom we work.



We develop clean, economic and renewable energy for Peru. We understand that the key to our business is to become leaders in energy transformation and to promote increasingly sustainable solutions, so we are diversifying our generation through different renewable sources and, in turn, we have made a commitment to help our customers in their energy transition and efficiency.



We know that unity is strength, so establishing a collaborative work among the public sector, private sector and civil society represents a sum of efforts and key resources to design comprehensive proposals. As a company, we have a clear purpose, a transformative vision and a work plan to contribute, from our field, to sustainable development. For this reason, strategic partnerships help us to have a more significant impact in a given context.

### **RECOGNITIONS**

#### **MERCO TALENTO 2019 RANKING**

ENGIE is the best company in the energy sector to attract and retain talent and with the best reputation in the energy sector

During the sixth edition of the renowned Merco Talento 2019 ranking, held on July 16, 2019, ENGIE Energía Perú was recognized as one of the 100 most attractive companies to attract and retain talent in Peru, and as the first company in the sector in terms of reputation. Our management was highlighted due to its financial strength, service quality, commercial offer, talent development, ethical behavior, sustainability strategy, among others.

#### **SNMPE'S SUSTAINABLE DEVELOPMENT AWARD**

ENGIE was recognized with the First Place in Social Management 2019

Against a total of 53 projects submitted by various mining, hydrocarbon and electric companies, ENGIE Energía Perú won first place in the Social Management category of the "Sustainable Development 2019" Award, organized by the National Society of Mining, Petroleum and Energy (SNMPE). The award was given to ENGIE's Program for Productive Development and Commercial Chain, which seeks to improve the economic income of agricultural producers in the area of influence in Yuncán.

This category brings together the best projects on productive development, infrastructure, innovation systems in social management, education, and health.

#### **GOOD CORPORATE GOVERNANCE INDEX**

### ENGIE Energía Perú is recognized by the Lima Stock Exchange

For the second consecutive year, ENGIE Energía Perú has been recognized by the Lima Stock Exchange for its good management practices and has confirmed its permanence within the Good Corporate Governance Index (IBGC). Through a survey Perú, in which 430 specialists in the capital market participated, ENGIE Energía Perú's management stood out, together with that of nine other leading companies from different sectors that are listed on the Peruvian mentioning that the company is the only one in the electricity sector to be part of this Index.

#### SECOND PLACE **PROACTIVO 2019 AWARDS**

#### ENGIE transports personnel in the mining sector in the first 100% Electric **Bus Coach**

On September 17, 2018, ENGIE Lima, as a pilot project that seeks to demonstrate the benefits of green conditions to implement it, like any the Electric Bus, ENGIE Energía Perú has taken a great step with which we hope that Peru will move transportation has zero impact on it reduces the cost of fuel supply for users and companies.

With that project, ENGIE was ranked 2nd in Proactivo 2019 awards.

SECOND PLACE "OUR CUSTOMERS FIRST" AWARD -**INDECOPI** 

#### **ENGIE** strengthens relationship with customers through "Green Experience" and "Engie Net" projects

On September 2, 2019, ENGIE won 2nd place in INDECOPI's "Our

transition, the "Engie Green implemented a customized energy monitoring centers.

In this sixth edition, among because of the good results sustainability of the proposal originality, the possibility that it can be replicated, and consumer satisfaction. WE CREATE VALUE FOR PEOPLE AND THE PLANET



BUILDING RELATIONSHIPS BASED ON TRUST

#### **ANNEXES**

- 84\_ Sustainability indicators
- 86\_ Main policies and processes in force in 2019
- 88\_ Global Reporting Initiative Content Index

**BASED ON TRUST** 



	2018	2019
OPERATIONAL INDICATORS		
Energy production (GWh)	5,334	6,604
Renewable energy production (GWh)	1,496	1,552
Installed capacity of electricity generation (MW)	2,496	2,496
Installed capacity of renewable energies (MV)	2.882	2.882
B2B customer satisfaction rate - 2019 survey results (%)	90	90
Sale of energy to customer (TWh)	8.6	8.6
Contracted power at peak hour (MW)	1,744.3	1,857.2
Length of transmission networks (km)	292.53	292.8
FINANCIAL INDICATORS		
Sales revenues (MUSD)	520.9	536.4
Gross profit (MUSD)	193.3	205.1
EBITDA (MUSD)	278.7	250.5
Operating income (MUSD)	187.5	166.5
Net profit (MUSD)	108.3	104.2
PP&E (Property, Plant, and Equipment) (MUSD)	2,513.4	2,465.2
Cash flow from operations (MUSD)	233.4	233.4
Net debt (MUSD)	677.2	537.7
ENVIRONMENTAL INDICATORS		
Total CO2 emissions (t CO2 eq)	1,472,728	2,000,498
Energy consumption within the organization (GWht)	7,174	9,818
Non-consumed water destined to hydroelectric generation (m3)	8,862,371	9,729,500
Recycled water used for irrigation of green areas (m3)	60,102	77,707
Total waste generated and managed (T)	360	413
Hazardous waste disposal (T)	87	188
Non-hazardous waste disposal (T)	272	225
Recovery rate of non-hazardous waste (%)	35%	31%
Hazardous waste recovery rate (%)	12%	11%
Compliance with Environmental Programs and Permissible Limits in Environmental Monitoring (power plants)	100%	100%

	2018	2019
SOCIAL INDICATORS		
Number of employees	506	503
Number of occupational disabling accidents	2	0
Number of occupational incidents	13	10
Number of fatal accidents	0	0
Number of occupational diseases	0	0
Suppliers and contractors trained with the "Life Saving Rules" safety program (%)	70%	100%
Women in the organization (%)	16.2%	15.5%
Women in management positions (%)	22.9%	20%
Women in the Executive Committee (%)	43%	43%
Female vs.male pay ratio	-1.9%	-2.2%
Job satisfaction - Results of internal survey 2019 (%)	85%	84%
Home office (%)	0	25.2%
Trained workforce (%)	98%	95%
Training hours (average per employee)	25	26
Courses and talks for employees on OHS (hours)	5,082	6,134
Courses and talks for employees on Compliance (ethics and human rights - hours)	635	260.5
Courses and talks for employees on environmental standards (hours)	896	815
Activities covered by an appropriate mechanism for dialogue and consultation with stakeholders (%)	100	100
Target sites with an integrated environmental management plan developed in conjunction with their stakeholders (%)	100	100
Number of beneficiaries from social actions	40,000	38,000
Investment in local infrastructure development (USD)	1,382,460	1,300,000
CORPORATE GOVERNANCE INDICATORS		· · · · · · · · · · · · · · · · · · ·
Number of regular directors	7	6
Participation rate in the Board of Directors (%)	82.60%	91.80%
Independence rate of the Board of Directors (%)	43%	33%
Gender diversity index of the Board of Directors (%)	0%	0%
Rate of foreigners in the Executive Committee (non-Peruvian nationality) (%)	57%	57%
Executive Committee trained in corruption issues (%)	100%	100%

FOR A CARBON-NEUTRAL FUTURE

WE CREATE VALUE FOR PEOPLE AND THE PLANET

inal in Spanish, the Spanish version will prevail

# MAIN POLICIES AND PROCESSES IN FORCE IN 2019

ENGIE Energía Perú has 59 active policies in 2019. All our policies are published in the intranet of ENGIE Energía Perú and communicated to our stakeholders as appropriate.

## INTEGRATED MANAGEMENT SYSTEM ISO 9.001 | ISO 14.001 | OHSAS 18.001

Topic	Policies
Legal affairs and ethics	ENGIE ENERGÍA PERÚ's bylaws
	General Regime of Powers of Attorney of Legal Representation for
	ENGIE Energía Perú
	Regime of Powers of Attorney and Attorneys-in-fact - Engie Perú
	Gift & Hospitality Policy
	Ethics Committee Operation Policy
	Personal Data Protection Policy
	Conflicts of Interest Prevention Policy
	Ethical Charter (published at Engie-energia.pe)
	Practical Guide to Ethics
	Business Consultant Policy - Legal Reference Document and
	Practical Guide
	Embargo Policy
	Lobbying Code - Engie Group
Electric power commercialization	Manual of the electric power dispatch process
	Manual of the electric power commercialization macroprocess
	Customer relationship process
Communications	<ul> <li>Policy on the Use of Social Networks for ENGIE Energía Perú's Employees</li> </ul>

Торіс	Policies
Finance, management control, accounting	Corporate Credit Card Use Policy Corporate Finance Policy Insurance Policy Policy on Services provided by Non-Domiciled Books and Records Policy Policy for Operations with Related Companies Counterpart Risk Policy Accounting Policy Management Control Policy
Logistics of goods and services	<ul> <li>Purchasing Policy</li> <li>Travel Policy</li> <li>Parking Policy</li> <li>Personnel Transportation Service Policy</li> <li>Food Service on Site Policy</li> <li>Invoice Reception and Distribution Policy</li> <li>Good Use of Assigned Vehicles Policy - Benefit</li> <li>Good Use of Assigned Vehicles Policy - Work Activities</li> <li>Good Use of Meeting Room Policy</li> </ul>
Operations and maintenance	<ul> <li>Operational Contingency and Emergency Response Plans</li> <li>Operational Excellence Policy - Engie Energía Perú</li> <li>Industrial Control Systems Security Policy</li> <li>Industrial Control Systems Password Policy</li> </ul>
Human resources	<ul><li>Integration and Care Activities Policy</li><li>Policy for the Prevention and Sanction of Sexual Harassment</li><li>Wage Policy 2020</li></ul>
Industrial safety and occupational safety (OHS)	<ul> <li>Occupational Health and Safety Policy</li> <li>Internal regulations on occupational health and safety (published in Engie-energia.pe)</li> </ul>
Sustainability, social affairs, environment	Sustainability Policy     Social Affairs Policy     Environmental Policy of ENGIE Energía Perú (published in Engie-energia.pe)
Information technology and communications	Information Technology and Communications Policy



# GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Standard	Content	Description	Page or reference
ORGANIZATIONAL PROFILE	GRI 102-1	Name of the organization	10
	GRI 102-2	Activities, brands, products, and services	10 and see details p. 9 2019 Annual Report
	GRI 102-3	Location of headquarters	10 and 96
	GRI 102-4	Location of operations	10
	GRI 102-5	Ownership and legal form	p. <b>35 Annual Report</b> 2019
	GRI 102-6	Markets served	10, 14
	GRI 102-7	Size of the organization	34
	GRI 102-8	Information on employees and other workers	26 to 43
	GRI 102-9	Supply chain	
	GRI 102-10	Significant changes to the organization and its supply chain	
	GRI 102-11	Precautionary principle or approach	
	GRI 102-12	External initiatives	
	GRI 102-13	Membership of associations	74
	GRI 102-14	Statement from senior decision-maker	4
	GRI 102-15	Key impacts, risks, and opportunities	12 and 24
ETHICS AND INTEGRITY	GRI 102-16	Values, principles, standards, and norms of behavior	48
	GRI 102-17	Mechanisms for advice and concerns about ethics	48
GOVERNANCE	GRI 102-18	Governance structure	20 and see details p. 56 2019 Annual Report
	GRI 102-19	Delegating authority	
	GRI 102-20	Executive-level responsibility for economic, environmental and social topics	22
	GRI 102-21	Consulting stakeholders on economic, environmental and social topics	
	GRI 102-22	Composition of the highest governance body and its committees	20 and see details p. 56 2019 Annual Report
	GRI 102-23	Chair of the highest governance body	20 and see details p. 56 2019 Annual Report
	GRI 102-24	Nominating and selecting the highest governance body	
	GRI 102-25	Conflicts of interest	48
	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	

Standard	Content	Description	Page or reference
	GRI 102-27	Collective knowledge of highest governance body	
	CDI 102 20		
	GRI 102-28	Evaluating the highest governance body's performance	
	GRI 102-29	Identifying and managing economic, environmental, and social impacts	p. 52 et seq. 2019 Annual Report
	GRI 102-30	Effectiveness of risk management processes	24
	GRI 102-31	Review of economic, environmental, and social topics	54 to 57
	GRI 102-32	Highest governance body's role in sustainability reporting	2
	GRI 102-33	Communicating critical concerns	•
	GRI 102-34	Nature and total number of critical concerns	
	GRI 102-35	Remuneration policies	36
	GRI 102-36	Process for determining remuneration	••••••
	GRI 102-37	Stakeholders' involvement in remuneration	
	GRI 102-38	Annual total compensation ratio	
	GRI 102-39	Percentage increase in annual total compensation ratio	
STAKEHOLDER	GRI 102-40	List of stakeholder groups	55
ENGAGEMENT	GRI 102-41	Collective bargaining agreements	
	GRI 102-42	Identifying and selecting stakeholders	55
	GRI 102-43	Approach to stakeholder engagement	56
	GRI 102-44	Key topics and concerns raised	57
REPORTING PRACTICES	GRI 102-45	Entities included in the consolidated financial statements	
	GRI 102-46	Defining report content and topic boundaries	2
	GRI 102-47	List of material topics	57
	GRI 102-48	Restatements of information	84
	GRI 102-49	Changes in reporting	
	GRI 102-50	Reporting period	2019
	GRI 102-51	Date of most recent report	2018
	GRI 102-52	Reporting cycle	annual
	GRI 102-53	Contact point for questions regarding the report	96

**BUILDING RELATIONSHIPS** 

**BASED ON TRUST** 

2019 SUSTAINABILITY REPORT BUILDING RELATIONSHIPS
BASED ON TRUST

0	•	,	n

Standard	Content	Description	Page or reference
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	2
	GRI 102-55	GRI content index	88
	GRI 102-56	External assurance	
ANAGEMENT APPROACH	GRI 103-1	Explanation of the material topic and its Boundary	57
	GRI 103-2	The management approach and its components	p. 52 et seq. 2019 Annual Report
	GRI 103-3	Evaluation of the management approach	p. 52 et seq. 2019 Annual Report
CONOMIC PERFORMANCE	GRI 201-1	Direct economic value generated and distributed	p. 68 et seq. 2019 Annual Report
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	p. 68 et seq. 2019 Annual Report
	GRI 201-3	Defined benefit plan obligations and other retirement plans	p. 68 et seq. 2019 Annual Report
	GRI 201-4	Financial assistance received from government	p. 68 et seq. 2019 Annual Report
IARKET PRESENCE	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
	GRI 202-2	Proportion of senior management hired from the local community	
NDIRECT ECONOMIC MPACTS	GRI 203-1	Infrastructure investments and services supported	
	GRI 203-2	Significant indirect economic impacts	
ROCUREMENT PRACTICES	GRI 204-1	Proportion of spending on local suppliers	
NTI-CORRUPTION	GRI 205-1	Operations assessed for risks related to corruption	
	GRI 205-2	Communication and training about anti- corruption policies and procedures	36
	GRI 205-3	Confirmed incidents of corruption and actions taken	no case
NTI-COMPETITIVE BEHAVIOR	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
AX	GRI 207-1	Approach to tax	
	GRI 207-2	Tax governance, control and risk management	
	GRI 207-3	Stakeholder engagement and management concerns related to tax	

Standard	Content	Description	Page or reference
	GRI 207-4	Entities and activities by tax jurisdiction	
MATERIALS	GRI 301-1	Materials used by weight or volume	
	GRI 301-2	Recycled input materials used	
	GRI 301-3	Reclaimed products and their packaging materials	n/a
ENERGY	GRI 302-1	Energy consumption within the organization	62
	GRI 302-2	Energy consumption outside of the organization	
	GRI 302-3	Energy intensity	•
	GRI 302-4	Reduction of energy consumption	•
	GRI 302-5	Reductions in energy requirements of products and services	
WATER AND EFFLUENTS	GRI 303-1	Interactions with water as a shared resource	
	GRI 303-2	Management of water discharge-related impacts	
	GRI 303-3	Water withdrawal	
	GRI 303-4	Water discharge	
	GRI 303-5	Water consumption	63
BIODIVERSITY	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	n/a
	GRI 304-3	Habitats protected or restored	n/a
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	n/a
EMISSIONS	GRI 305-1	Direct (Scope 1) GHG emissions	62
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	62
	GRI 305-3	Other indirect (Scope 3) GHG emissions	62
	GRI 305-4	GHG emissions intensity	
	GRI 305-5	Reduction of GHG emissions	
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	
	GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<u></u>

2019 SUSTAINABILITY REPORT

FOR A CARBON-NEUTRAL FUTURE

X BUILDING RELATIONSHIPS	
BASED ON TRUST	

Standard	Content	Description	Page or reference
EFFLUENTS AND WASTE	GRI 306-1	Water discharge by quality and destination	62
	GRI 306-2	Waste by type and disposal method	62
	GRI 306-3	Significant spills	no case
	GRI 306-4	Transport of hazardous waste	
	GRI 306-5	Water bodies affected by water discharges and/or runof	f no case
ENVIRONMENTAL COMPLIANCE	GRI 307-1	Non-compliance with environmental laws and regulations	no case
SUPPLIER ENVIRONMENTAL ASSESSMENT	GRI 308-1	New suppliers that were screened using environmental criteria	76
<u>.</u>	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	no case
• • • • • • • • • • • • • • • • • • • •			••••••••••
EMPLOYMENT	GRI 401-1	New employee hires and employee turnover	34
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	40 and 41
	GRI 401-3	Parental leave	41
LABOR/MANAGEMENT RELATIONS	GRI 402-1	Minimum notice periods regarding operational changes	
OCCUPATIONAL HEALTH AND SAFETY	GRI 403-1	Occupational health and safety management system	44
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	44
	GRI 403-3	Occupational health services	44
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	44
	GRI 403-5	Worker training on occupational health and safety	44
	GRI 403-6	Promotion of worker health	44
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44
	GRI 403-8	Workers covered by an occupational health and safety management system	44

Standard	Content	Description	Page or reference
	GRI 403-9	Work-related injuries	44
	GRI 403-10	Work-related ill health	44
TRANING AND EDUCATION	GRI 404-1	Average hours of training per year per employee	36 and 40
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	40
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	36
DIVERSITY AND EQUAL	GRI 405-1	Diversity of governance bodies and employees	39 and 85
OPPORTUNITY	GRI 405-2	Ratio of basic salary and remuneration of women to men	36
NON-DISCRIMINATION	GRI 406-1	Incidents of discrimination and corrective actions taken	no case
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	no case
CHILD LABOR	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	no case
FORCED OR COMPULSORY LABOR	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	no case
SECURITY PRACTICES	GRI 410-1	Security personnel trained in human rights policies or procedures	49
RIGHTS OF INDIGENOUS PEOPLES	GRI 411-1	Incidents of violations involving rights of indigenous peoples	no case
HUMAN RIGHTS ASSESSMENT	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	no case
	GRI 412-2	Employee training on human rights policies or procedures	49
	GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	all our contracts contain an Ethics clause, which includes Human Rights
LOCAL COMMUNITIES	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	66 to 69
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	66 to 69

Standard	Content	Description	Page or reference
SUPPLIER SOCIAL	GRI 414-1	New suppliers that were screened using	77
ASSESSMENT		social criteria	
	GRI 414-2	Negative social impacts in the supply chain and actions taken	no negative impact
PUBLIC POLICY	GRI 415-1	Political contributions	none
CUSTOMER HEALTH AND SAFETY	GRI 416-1	Assessment of the health and safety impacts of product and service categories	n/a
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	no incident
MARKETING AND LABELING	GRI 417-1	Requirements for product and service information and labeling	n/a
	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	n/a
	GRI 417-3	Incidents of non-compliance concerning marketing communications	no incident
CUSTOMER PRIVACY	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	no incident
SOCIOECONOMIC COMPLIANCE	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	no case

