



INTEGRATED REPORT 2023

# ACCELERATING THE ENERGY TRANSITION



DISCLAIMER: 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 will prevail.





Aligned with our purpose of **acting to accelerate our transition towards a carbon-neutral economy**, we are convinced that a single technology cannot provide the solution for a trusty and affordable energy transition.

That's why to achieve a mix between balanced energy-between renewable and flexible generation- it's essential to guarantee efficiency in our energy sector.

## REACH OF THE REPORT

This Integrated Report 2023 is the third of ENGIE Energía Perú. It includes the performance, the information and the general context of the company; and reflects the sustainability of our management and practices as part of our strategy and purpose. The report has been elaborated using the Global Reporting Initiative (GRI) and provides details about our contribution to the Global Goals of the United Nations.

The document covers the performance of ENGIE Energía Perú until December 31, 2023. However, there are some initiatives executed at the beginning of 2024 to provide more information to interested groups. The reported perimeter covers all the activities (operations and projects) of ENGIE Energía Perú. The Environmental, Social and Governance (ESG) information presented in this report is compiled using accepted methodologies and/or in some cases is based on estimations with available information till the publication date.



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# Liability Statement

This document contains true and sufficient information about the business performance of ENGIE Energía Perú S.A. during the year 2023. Without prejudice to the liability of the issuer, the undersigned bear responsibility for the contents here of pursuant to the applicable legal provisions.

Lima, February 29, 2023



**El Mehdi Ben Maalla**  
CEO



**Luciano Guffanti**  
Vice-President of Finance

## Company

ENGIE Energía Perú S.A.

## Company information

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## Responsible for the preparation and review of financial information

Since October 2012, Mr. Jaime Dioses has been serving as the main accounting officer of ENGIE Energía Peru S.A. Since 2018, the external audit of the company's financial statements has been conducted by Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada, a firm member of EY. The external auditors have not issued any negative opinion nor have they refrained from issuing opinions on the individual financial statements of ENGIE Energía Perú S.A. Engie Energie Perú 2023 in figures.

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# ENGIE ENERGÍA PERÚ

## 2023 in figures



## PRICES AND ACKNOWLEDGMENTS

AMONG THE TOP 100 COMPANIES WITH BEST REPUTATION IN PERU

### MERCO RANKING

- **Ranked 1:**  
In the energy sector
- **Ranked 51:**  
Companies with best reputation
- **Ranked 49:**  
Companies with best talent attraction and retention
- **Ranked 50:**  
Companies with best ESG responsibility

### BUSINESS CREATIVITY UPC

- **Punta Lomitas Wind Power Plant**  
Category: Public Services

### 2023 SUSTAINABLE DEVELOPMENT AWARD - SNMPE

- **Punta Lomitas Wind Power Plant**

### ECOVADIS

- **Platinum Medal (79/100)**

### PROACTIVE AWARD

- **Green Educational Bus**  
Category: Energy

## ONE SAFETY

OUR SECURITY CULTURE

■ **0 serious accidents and incidents**

■ **+ 2,800 working hours in projects**

■ **12,827 security preventive registers**

■ **10,328 security meetings**

■ **477 walks of safety in the command line**

■ **5,204 security inspections**

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## Our operations

- **26 years**  
of operation in Peru
- **8 plants**  
in operation
- **1 system**  
of storage of energy  
with batteries
- **2,657 MW**  
of rated capacity
- **1,763 GWH**  
production of renewable  
energy

## Financial Results

- **US\$ 671.8**  
million of net profit
- **US\$ 211.7**  
million EBITDA

## Commercial management

- **84.4%**  
level of customer  
satisfaction
- **448 MW**  
in new contracts and  
addenda (independent clients)

## Social management

- **US\$ 2.3**  
million in social investment
- **82,700**  
beneficiaries from social  
actions
- **0 social conflicts**  
that paralyze our electric  
generation
- **+900 hired people**  
as qualified workers  
and not qualified

## Our team

- **544**  
workers
- **100%**  
of our workers with  
performance assessments

## Environmental management

- **90,140 m<sup>3</sup>**  
of recycled water and used  
for irrigation of green areas
- **32%**  
waste recycling rate



# LETTER FROM THE CHAIRMAN OF THE BOARD

Dear shareholders:

I want you to let me start this letter by thanking you for your trust and support towards ENGIE Energía Perú. I am pleased to present to you the Integrated Report 2023, which contains relevant information about our economic, environmental, social, ethic and corporate governance performance.

Attending our number one priority at ENGIE Energía Perú with security and occupational health, we must inform you that we've finished the year 2023 with zero critical and serious accidents. Results that we highlight because they were achieved in challenging contexts of construction of new assets, maintenance and recovery of our operations due to climatic damages. However, we had 14 working incidents, in our own staff and with contractors.

Facing them, we have taken immediate actions through our integral program One Safety to prevent that those would never happen again.

According to estimations, the country finished the year 2023 with the growing of the gross domestic product (GDP) less than 1%, especially for the sequels of the post pandemic, the deterioration of the private investment, the political instability, the protests, the effects of the cyclone Yaku, the impacts of the coast phenomenon of El Niño; besides of the high rates of interests and the geopolitical uncertainty on the international level. While the electric demand was at 58 TWh, which showed a recovery of 4% towards 2022, pushed mainly by the mining, refinery, steel and regulated demand sectors.

In this context, during 2023, our company's net sales increased to US\$ 671.8 millions, a 21% more than 2022 (US\$ 554.9 millions).

Aligned with our long term engagement with Peru, we continue to make important investments in our new renewable energy plants and flexible assets, because as ENGIE Group we are convinced that just one technology cannot provide the solution for an affordable and trusty energy transition.

In that sense, we finished the construction of the Punta Lomitas Wind Power Plant and its expansion, which got into commercial operation in June and December





2023, respectively, and reached a total rated capacity of 296.4 MW, making it the most important wind farm of the country. Also, we concluded the implementation of the System of Storage of Energy with Batteries (SSEB) at the Chilca Uno thermal Power Plant, which went into commercial operation in July 2023 with a capacity of 26.5 MW, which makes it the largest of the country.

We also signed in 2023 a contract of buy and sell with the intention of acquiring the leading companies of the two operational wind farms for a total of 36.8 MW and two greenfield wind projects for a total of about 40 MW, located in the Cajamarca region. The closure of this operation is conditioned to the approval of the Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (Indecopi).

I also would like to acknowledge the important work made by the recovery team of the Quitaracsa Hydroelectric Power Plant, in Áncash, that suffered serious damages in their facilities and left it temporarily unavailable because of the cyclone Yaku. The quick reaction and the teamwork made Quitaracsa restart operations with their unit 2 in December 2023, after cleaning, reparation and reinforcement of the civil and electromechanics installations work.

A great news that makes us proud and motivates us to keep improving is that we continue leading for the sixth year in a row the energy sector as the company with the best reputation in Perú, according to the Merco Ranking of Companies and Leaders 2023. Also,

we are in the top 100, rank 51, in the multisectorial general ranking. Besides, our Punta Lomitas Wind Power Plant was acknowledged with the Business Creativity award, the biggest price to business innovation in the country; and the 2023 Sustainable Development Award of the Sociedad Nacional de Minería, Petróleo y Energía (SNMPE) for the contribution as a source of renewable energy towards the climatic change.

Finally, I would like to express my appreciation to our directors, to our stakeholders and clients for the trust, as well to all the teams that are part of ENGIE Energía Perú. Their professionalism allows us to maintain the company as an important reference of quality, excellency and high ethical principles in the Peruvian electrical sector.

Sincerely yours,

**Rosaline Corinthien**

# LETTER FROM THE CEO



Dear readers:

It is a pleasure to me to share with you our Integrated Report about actions of 2023, which contains the details of our environmental, social, ethical and good corporate governance commitments at ENGIE Energía Peru. We put this document in your hands as a taste of our transparency and opening to our different groups of interest.

I will start with the two main priorities of our company: the health and safety of our staff and our ethical behavior. It is satisfactory to report that we've finished the year 2023 with zero critical and serious accidents. Through the program One Safety, we have given 63 hours of training per person about security and occupational health, we have also made 477 walks of safety on location by the line of command and more than 7200 Safety Moments promoted from the different levels of the company to reinforce our preventive culture.

During 2023 we trained and reinforced our staff and providers about the reach and content of our ethical principles, like the zero tolerance with fraud and corruption, the prevention of conflicts of interest, gifts and hospitalities, a model of crime prevention and engagement in the respect of human rights, among other relatable issues.

Aligned with our purpose with the energetic transition of Peru, we began to put on track in 2023 the I Punta Lomitas Wind Power Plant and its expansion, giving 296.4 MW of additional renewable energy to the system. In the same line and according to the information given the last trimester of 2023, we have the expectation of adding to our renewable portfolio the acquisition of two wind farms in operation (36.8 MW) and two greenfield wind projects (until 40 MW), located in Cajamarca. We are hoping to seal this operation in 2024.

With a view and long term commitment with Peru, we have a portfolio of renewable projects, between solar and wind, in many stages of development for more than 1200 MW; being the solar project Hanaqpampa that reaches until 300 MW, located in Moquegua, and that's the more advanced.

While we contribute to the energy transition, we don't forget the importance of guaranteeing and maintaining the safety of the supply to the country and to our clients. That's why we were focused during 2023 in maintaining



the operational excellence in the management of our centrals and facing the new climatic challenger on this operation.

Facing the low hydrology, our facilities of thermic generation in Chilca, demanded to their maximum capacity, responded with a high level of availability and trust, thanks to their preparation and proper maintenance. A fact aside, but not less was the temporal unavailable function of the Quitaracsa Hydroelectric Power Plant in Áncash, that suffered damages in their storage and facilities due to the cyclone Yaku. The teams worked hard on it's recovery to make the unit 2 of the central operative, at the beginning of December 2023. To all of them I express my sincere acknowledgement. Also, we have formed a committee of following and prevention of the potential risks of the El Niño and other climatic phenomenons.

The year 2023 was challenging for our commercial management. The electric sector faced the climatic impact and the changes in the marginal costs. In this context, we have taken a variety of commercial actions such as negotiation or buying backup energy at the right time to protect the value of our portfolio. All of this with the entire respect of the contractual frame and, the thing that is most important to us, putting forward our bond and relationship with our clients.

Nevertheless, in a challenging 2023, we subscribed three new contracts with Hudbay Perú S.A.C., Nexa Resources Cajamarquilla S.A. and Pesquera Diamante S.A. that represent a total of 232 MW of power hired in peak hour.

Concerning the talent and people management, on 2023 we applied the internal survey ENGIE&Me, and we achieved a 97% of participation and a 94% in the indicator "commitment". These are encouraging results for the company, because they indicate that our teams acknowledge the positive work environment of ENGIE Energía Perú to develop as employees and persons.

Focused on promoting a major diversity, equality and inclusion, in the year 2023, we hired 45 women, which corresponds to the 66% of the hires of the year. From this group of women, 22% have an executive position. A special mention goes to the launch of Warmi, a program that seeks to stimulate the development of the women that are engineers in the energy sector, and that in 2023, incorporated 13 young female engineers to the company to continue their training in our operations. On the other hand, our Scholarships ENGIE: +Mujeres en Energía, added 32 young talents to the program in 2023. Also, we have installed the Diversity and Inclusive Network with 21 members to work with more effort in the fronts of diversity, such as the LGBTQ+ group, disabled, origins and the generational aspects.

I want to close this letter by expressing my gratitude and acknowledge to the executive team of ENGIE Energía Perú, for their commitment and support during 2023, and, of course, our manager's team and all the staff for the engagement shown.

Sincerely yours

**El Mehdi Ben Maalla**

Ch. 1

# ABOUT US

WE SEEK TO  
ACCELERATE  
THE ENERGY  
TRANSITION  
IN PERU





# 1.1 OUR HISTORY

ENGIE Energía Perú is one the largest electric energy generation, transmission and trading companies in Peru.

Our creation dates to September 1996, under the name Powerfin Perú S.A., with the purpose to acquire the power assets owned by Southern Peru Copper Corporation (SPCC) and to sign a Power Purchase Agreement (PPA) with the same company.

Since the beginning of our operations, we have invested around US\$ 2618 millions. We

have eight power generation plants across different regions in the country, with an aggregate of 2657 MW of installed capacity, which represents approximately 19% of the installed capacity of the National Interconnected Electrical System (SEIN) of the country.

International Power S.A. (previously Suez-Tractebel S.A.) had the control of ENGIE Energía Perú until February 2004, when the Pension Fund Managers (AFP) subscribed and paid a capital increase approved by the shareholders of the company and

became the holders (jointly) of 21.1% of the share capital of ENGIE Energía Perú.

In 2005, it publicly offered its shares in the Lima Stock Exchange and succeeded in placing 17.2% of shares in the share capital of ENGIE Energía Perú.

The business name of the company has been modified over time, and is currently named "ENGIE Energía Perú S.A."

## INCORPORATION AND MODIFICATION OF THE BUSINESS NAME

DATE	BUSINESS NAME	NOTARY	MILESTONE
September 20, 1996	Powerfin Perú S.A.	Jorge Orihuela Iberico	Incorporation of the company under registry N.º 11027095
February 27, 1997	Energía del Sur S.A.	Manuel Noya de la Piedra	Modification of the business name
August 28, 2007	EnerSur S.A.	Ricardo Fernandini Barreda	Modification of the business name
March 14, 2016	ENGIE Energía Perú S.A.	Ricardo Fernandini Barreda	Modification of the business name

Company Term: Indefinite

International Standard Industrial Classification (ISIC): 3510

### OUR PURPOSE

At ENGIE Energía Perú we work to accelerate the energy transition to a carbon neutral economy.

Aligned with this objective, on December 31, 2022 we retired from the commercial operation of the coal-fired Thermoelectric power plant Ilo 21.

At the same time we continued the construction of the Punta Lomitas Wind Power Plant, which started

the commercial operation on June 16, 2023; while the Expansion of the Punta Lomitas Wind Power Plant began its commercial operation on December 24, 2023. The total capacity of the Punta Lomitas Wind Power Plant along with its expansion is 296.4 MW.

Also, we finished the construction of the Battery Energy Storage System (BESS) at the Chilca Uno thermal Power Plant, which enter to the commercial operation was on July 27,

2023, that will allow it to optimize the production of energy of the thermal power and give more stability to the SEIN.

Currently, we have a portfolio of wind and solar projects in different stages of development. During year 2023, we generate 1763 GWh/year of renewable energy that represent the 20% of our total protection. Besides, it's important to mention that we have signed a buy-sell contract with the intention of acquire



the leading companies of two wind farms in operation: Duna (18.4 MW) and Huambos (18.4 MW), and two greenfield wind farm: Naira I (until 20 MW) and Naira II (until 20 MW), located in the Cajamarca region. The closing of this operation is conditioned to the approval of the Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (Indecopi).

#### OUR ECONOMIC GROUP

ENGIE Energía Perú's main shareholder is International Power S.A., which owns 61.77% of its shares, and is part of the ENGIE Group, an economic group of French capital with presence in approximately 50 countries, controlled indirectly by ENGIE S.A., a corporation incorporated and existing under the laws of France, with the French State as the main individual shareholder, with approximately 23.64% of the shares that are listed in the Brussels, Luxembourg and Paris stock exchanges

In addition to ENGIE Energía Perú, the ENGIE Group is present in Peru, through ENGIE Perú S.A., a company engaged in project development and representation of the parent company. ENGIE Energía Perú does not hold any share interest in the aforementioned

company. The composition of the ENGIE Group and the position of ENGIE Energía Perú are shown below:



Until December 31, 2023, the 38.23% remaining of shares are owned by Peruvian Pension Fund Managers (AFP) (33.63%), as well as other individuals and legal entities (4.6%).

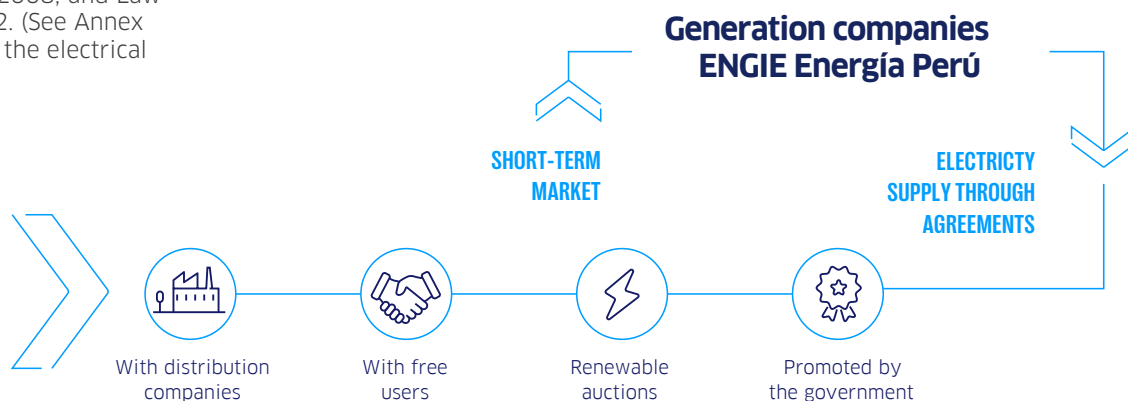


## 1.2 OUR SECTOR

The electrical market is mainly governed by the Electrical Concession Law, published in 1992; the Efficient Generation Law, published in 2006; Legislative Decrees No. 1002 and 1041, both passed in 2008; and Law No. 29970 dated 2012. (See Annex 2: Main regulations of the electrical sector).

### OPERATION

Pursuant to the regulatory framework applicable to the electrical sector, ENGIE Energía Perú operates in the following markets:



### SHORT-TERM MARKET

The Short-Term Market (also referred to as the Spot Market) is a pool-type market<sup>1</sup>, where generation companies sell their electricity production from their power generation plants and purchase the electricity that their clients withdraw physically (up to the limit set forth in their respective power purchase agreements) from SEIN.

These transactions are valued with the short term marginal costs<sup>2</sup>. The Committee for Economic Operation

of the National Interconnected System (COES) is the coordinator that optimizes power generation from the SEIN, aiming in general at securing the minimum operating cost of the system. To this end, COES arranges the production of plants with the lowest variable cost and so on until the full demand of SEIN is met.

Within the short-term market framework, Large Users (free users<sup>3</sup> requiring 10 MW or more) may purchase in this market up to 10% of their maximum demand, and the distribution companies may take

part in this market to purchase up to 10% of the maximum demand of their free users. Moreover, everyone withdrawing electricity from this market are required to pay the respective regulated charges, including the capacity charge for the remuneration of the firm capacity of plants arranged according to their variable cost, plus a reserve margin<sup>4</sup> set by the Ministry of Energy and Mines (MINEM).

<sup>1</sup> Mercado en el cual todos los generadores entregan su electricidad al sistema y los clientes retiran electricidad de él, sin que se requiera un contrato entre los que entregan y retiran.

<sup>2</sup> Costo de producir una unidad adicional de electricidad en cualquier barra (punto del sistema donde se entrega o retira electricidad) del sistema. Este varía por barra o nodo.

<sup>3</sup> Usuarios no sujetos a regulación de precios por la energía y potencia que consumen. Los usuarios cuya máxima demanda anual de cada punto de suministro sea mayor de 200 kW hasta 2,500 kW tienen derecho a elegir entre la condición de usuario regulado o de usuario libre. Los usuarios cuya máxima demanda anual de cada punto de suministro sea mayor a 2,500 kW tienen la condición de usuarios libres.

<sup>4</sup> Es la capacidad de oferta adicional a la máxima demanda del sistema que se requiere para una operación segura del SEIN.

## ELECTRICITY SUPPLY THROUGH AGREEMENTS

**Agreements with distribution companies.** Generation companies compete among themselves to enter into power purchase agreements with distribution companies in order to meet the demand of their clients in their respective areas of concession.

These agreements may derive from: i) auctions, supervised by Osinergmin, and conducted by distribution companies, with electricity prices resulting from the award; ii) bilateral negotiations, with electricity prices resulting from the negotiations between the generation company and the distribution company, which are not to exceed the price regulated by Osinergmin (busbar price). We must precise that in the cases of concentration in the electric sector that implies the vertical integration of the distributing companies, Indecopi approved such operations holding them to make competitive processes<sup>5</sup> for the electricity purchase destined to the supply of the regulated users. In these contracts, the generators, despite having the steady power and energy enough to attend to their clients, are not forced to produce the electricity at the same moment their clients consume it. How is the client demand met then? It is COES who arranges on a daily basis which units should generate to meet the demand<sup>6</sup> of SEIN.

Along these lines, the physical consumptions (withdrawals) of electricity by the clients of a generation company may be different (greater or lower) from the physical

electricity production of such a generation company.

**Agreements with free users.** The supply commitments in these agreements, like in the previous case, are not physical but rather financial. Generation and distribution companies compete to enter into agreements with free users for the supply of the consumer of electricity. In this case, the electricity generation prices are agreed between the generation company and the free user. Also, in the operation of concentration that imply the vertical integration of the distributing companies, approved by Indecopi, there were no conditions established for the case of the purchase of electricity destined to the supply of the free users. Like in the previous case, the generators are not forced to produce electricity at the same time their clients consume it.

**Renewable generation.** Pursuant to Legislative Decree No. 1002, every five years the MINEM sets the target percentage of domestic consumption that is to be met with energy produced with non-conventional renewable generation, (RER: Renewable Energy Resources)<sup>7</sup>, which currently is 5%.

Within the framework of Legislative Decree No. 1002, four auctions have been held for new renewable plant developments, and the awarded agents have entered into the corresponding agreements with the awarded generation companies. The last auction was held in 2016. In this

case, the supply commitments are physical, the generation companies awarded in the auctions commit to physically supply to the system a given annual volume of energy.

**Agreements promoted by the Government<sup>8</sup>.** The Government calls for tenders for the construction of power plants of a given technology and, in some cases, for the purchase of electricity generated by these power plants.

<sup>5</sup> It can be i) through a process of limitations established in the Law 28832 o, ii) private contests that allow the participation of competitors.

<sup>6</sup> This is performed in the Short-Term Market.

<sup>7</sup> RER is understood as energy resources such as biomass, wind, solar, geothermal and tidal, and hydropower when the installed capacity does not exceed 20 MW.

<sup>8</sup> With commercial designs different than those set forth in the Electrical Concession Law and General Electricity Law. In some cases, based on the "Law that generates energy security and promotes the development of the petrochemical pole in the south of the country", Law No. 29970.



## MAIN PLAYERS

The generation supply in SEIN, in addition to ENGIE Energía Perú, is mainly covered by the Government and the following business groups: Enel, Inkia Energy, Colbún, Grupo Unacem, Statkraft, and government companies. The production in SEIN is characterized by being composed mainly<sup>9</sup> of hydropower (47.7%) and thermal generation (46.6%).

The remaining generation comes from solar and wind sources (5.7%). Moreover, in the year 2023, energy sales in SEIN were 62.8% to free clients and 37.2% to regulated clients<sup>10</sup>. Free large clients are mining and industrial companies for the most part.

## CURRENT MARKET SITUATION

About the current market situation, in 2023, occurred the next events that affected the short term marginal cost and the availability of the plants of the system:

In 2023, due to the beginning of the El Niño Phenomenon (the increase of the sea's temperature), the flow of the rivers where the hydroelectric plants are located decreased to historical lows of the last 20 years. This caused a lower production of the hydroelectric plants and the increase of the short term marginal cost in the months due to the low flow reaching average monthly values of 180 US\$/MWh.

The Malvinas Processing Plant of natural camisea gas underwent maintenance during 10 days, from July 25 to August 6, 2023. During this event, the natural gas supply for the operative plants that use this fuel was reduced in a 65%, which occasioned the SEIN's plants operation with diesel. In this context the Ilo 41 TPP operated as an energetic supplier.

The marginal cost during this maintenance reached an average value of 224 US\$/MWh.

Regarding the information on natural gas price for power generation, from June 2021<sup>11</sup> generation companies submit their information on gas costs to determine their variable costs for power generation pursuant to the provisions of Resolution N° 092-2021-OS/CD dated May 3, 2021, which amended technical Procedure No. 31 (PR-31) – "Calculation of Variable Costs of Generation Units". According to applicable regulations, the variable fuel cost is the sum of gas supply, transport and distribution.

It should also be noted that by Supreme Decree No. 003-2021-EM dated January 30, 2021, MINEM approved Supreme Decree 003-2021-EM to implement the Contracting Reference Factor (FRC). The FRC is the percentage of firm contracting that generation companies require to be able to earn their capacity remuneration. Pursuant to the provisions set out by MINEM, with Resolution No. 096-2021-OS/CD16, OSINERGMIN approved the FRC values for the period from June 01, 2021 to April 30, 2025.

Subsequently, MINEM also approved Supreme Decree 012-2021-EM that amends the Regulation of the Natural Gas Secondary Market (MSGN) and created the Natural Gas Manager that acts as a body that centralizes and discloses information on the natural gas market. Both mechanisms are not yet in effect.

In 2022, Osinergmin approved the amendment of Technical Procedure COES No. 34, which amended the calculation of the Maintenance Variable Cost for thermal power plants, which is part

of their variable costs. In accordance with this regulation, generation companies should submit the reports substantiating the variable costs of their plants, which were approved by COES in June 30, 2023.

<sup>9</sup> COES Monthly Bulletin – Annual evaluation 2023.

<sup>10</sup> Commercial information as of the third quarter of 2023 published by Osinergmin.

<sup>11</sup> The first submission of information according to the amended PR-31 was until June 20, 2021 and came into effect from July 1, 2021.



## PROPOSED CHANGES TO THE REGULATORY FRAMEWORK IN THE SECTOR

The Congress Commission of Energy and Mines approved a majority a "bill to amend<sup>12</sup>, Law 28832 to ensure the efficient development of Power Generation". The approved bill is primarily focused on: a) the power purchase agreements separate from the capacity and in blocks b) the implementation of the market of complementary services c) The concurrence procedure to execute the Transmission Plan projects, a new Busbar Tariff benchmark reference (average prices of agreements with free users with prices of agreements resulting from biddings).

After, it was presented a minority law that makes some clarifications to the majority law and includes the extension of the benefit of the

accelerated depreciation benefit until December 31, 2030. To date, the debate on the majority opinion in the Plenary of Congress is pending.

About the subject of the period for accelerated depreciation, the Executive presented an urgent Bill on January 3, 2024, which proposes that the period for accelerated depreciation be extended until December 31, 2035. This project is currently in analysis in Congress.

On the other hand, the Multisectorial Commission for the Reform of the Electricity Sector<sup>13</sup> is selecting a consultant to modernize the electrical sector, whose study according to Minem would cover (i) Strengthening of the institutional framework, (ii) Transformation of the wholesale market, (iii) Innovation in distribution and trading, and (iv) Transmission management.

Also, in January 2024, the MINEM published its Early Agenda 2024, which aims to inform the interested parties and the citizens about the preliminary evaluation of the public issues that will be studied in the Analysis of Regulatory Impact of the Minem. Among the identified subjects by the Minem is the necessity to establish the conditions that the Minem will consider in procedures for the application for concession when a case of vertical integration is presented that is not a business concentration.

<sup>12</sup> Bills N°02139/2021-CR, N°03662/2022-CR, N°04748/2022-CR and N°04565/2022-PE

<sup>13</sup> Created by Supreme Resolution No. 006-2019-EM, published in the official newspaper "El Peruano" on June 20, 2019, with the purpose of reviewing and adjusting the current regulatory and regulatory framework. It is made up of representatives of Minem, the Ministry of Economy and Finance and Osinergmin.





## 1.3 OUR TEAM

As of December 31, 2023, the ENGIE Energía Perú team has 544 employees. They have the expertise, the ability to innovate and the know-how of the sector, which guarantees a constant reinvention to successfully tackle the new market challenges.

	TOTAL	MEN	%	WOMEN	%
<b>Officials (Executive Committee and Managers)</b>					
Permanent	47	38	81	9	19
Temporary	1	1	100	-	0
<b>Employees</b>					
Permanent	415	347	84	68	16
Temporary	81	50	62	31	38
Subtotal	544	436	80	108	20
Trainees	42	18	43	24	57
<b>Total</b>	<b>586</b>	<b>454</b>	<b>77</b>	<b>132</b>	<b>23</b>

# 1.4 OUR OPERATIONS

- Ilo 21 Thermal Power Plant (Ilo 21 TPP)
- Punta Lomitas Wind Power Plant (Punta Lomitas WPP)
- Intipampa Solar Power Plant (Intipampa SPP)
- Quitaracsa Hydroelectric Power Plant (Quitaracsa HPP)
- Yuncan Hydroelectric Power Plant (Yuncan HPP)
- Chilca Uno thermal Power Plant (Chilca 1 TPP)
- Chilca Dos thermal Power Plant (Chilca 2 TPP)
- Nodo Energético Ilo 41 Thermal Power Plant (Ilo 41 TPP)
- Cold Reserve Ilo 31 Thermal Power Plant (Ilo 31 TPP)
- Battery Energy Storage System (Chilca-BESS)

ENGIE Energía Perú operates power generation and transmission facilities across the country.

Currently, after the exit of commercial operation of the Ilo TPP in December 2022, we have eight (8) electricity generation plants, two (2) natural gas thermoelectric plants, two (2) diesel thermoelectric plants, two (2) hydroelectric plants, one (1) solar plant and one (1) wind plant.

Likewise, we have one (1) port terminal; two (2) electrical substations, where SEIN transmission lines are connected; and 16 transmission lines that allow us to transport generation between our plants and the different SEIN substations where we connect.

In 2023, the Punta Lomitas Wind Power Plant came into operation (260 MW) and its Expansion (36.4 MW) and the BESS of the Chilca 1 TPP.

## 1.4.1 MAIN MILESTONES

**JULY 1997.** The generation turbine 1 of Ilo 1 TPP entered into commercial operation.

**SEPTEMBER 1998.** The generation turbine 2 of the Ilo 1 TPP entered into commercial operation.

**OCTOBER 2000.** The Ilo 21 TPP starts operation with a rated capacity of 135 MW.

**SEPTEMBER 2005.** We are awarded the Yuncan HPP under a 30-year usufruct agreement, with a rated capacity of 134 MW.

**DECEMBER 2006.** The first unit of the Chilca 1 TPP entered into commercial operation. It is the first generation plant built exclusively to use the Camisea natural gas.

**JULY 2007.** The second unit of the Chilca 1 TPP entered into commercial operation, increasing the plant capacity to 360 MW.

**AUGUST 2009.** The third unit of the Chilca 1 TPP entered into commercial operation, increasing the plant capacity to 560 MW.

**NOVEMBER 2012.** The combined-cycle steam turbine of the Chilca 1 TPP entered into commercial operation, increasing the plant rated capacity to 852 MW.

**JUNE 2013.** Cold Reserve Ilo 31 Thermal Power Plant entered into commercial operation with a rated capacity of 500 MW.

**OCTOBER 2015.** The Quitaracsa HPP entered into commercial operation with a rated capacity of 114 MW.

**MAY 2016.** The single-cycle gas turbine of the Chilca 2 TPP entered into commercial operation with a rated capacity of 75.5 MW

**OCTOBER 2016.** Nodo Energético Ilo 41 Thermal Power Plant entered into commercial operation with a rated diesel capacity of 610 MW.

**DECEMBER 2016.** The combined-cycle steam turbine of the Chilca 2 TPP entered into commercial operation, increasing the total plant capacity to a rated capacity of 111 MW.

**OCTOBER 2017.** The Ilo 1 TPP was decommissioned.

**MARCH 2018.** The Intipampa SPP entered into commercial operation, with a generation capacity of 40MW.

**NOVEMBER 2022.** The works of the Ilo 1 TPP Partial Abandonment Plan were completed.

**DECEMBER 2022.** The coal-fired Ilo TPP was decommissioned, after 22 years in operation.

**JUNE 2023.** The Punta Lomitas Wind Power Plant entered into commercial operation, located in Ica.

**JULY 2023.** Entered into commercial operation the Chilca-BESS for the Primary Frequency Regulation (RPF) of the Chilca 1 TPP.





**SEPTEMBER 2023.** COES accepts that Chilca-BESS takes over also the RPF of the Chilca 2 TPP.

**DECEMBER 2023.** The Punta Lomitas Wind Power Plant's Expansion entered into commercial operation.

## 1.4.2. OPERATION AND MAINTENANCE

The year 2023 meant a year of challenges and demands, but also of important achievements. The preparation and organization of the Operation and Maintenance (O&M) team was tested to (i) manage the safety of its own personnel and contractors in adverse and unforeseen contexts, (ii) manage crises caused by extraordinary weather events, (iii) maintain operational excellence in the management of its assets and (iv) work collaboratively to put into commercial operation the plants that were under implementation during the year. Thermal generation assets operated at maximum capacity due to low hydrology. Therefore, the unities that normally operate according to the procedures of the COES only for unidades que normalmente operan según procedimientos del COES Only by random test and lottery, they began to operate on a daily basis.

This was the case of our plants: Ilo 31 TPP and the Ilo 41 TPP, both located on Ilo. Meanwhile our plants Chilca 1 TPP and Chilca 2 TPP, both located on Chilca-Cañete, also responded adequately with a high level of reliability and availability. Similarly,

the Intipampa SPP and the Yuncan HPP had a high level of availability and performance.

On the other hand, we faced an adverse situation with the effects produced by Cyclone Yaku, which caused the temporary unavailability of the reservoir and the upstream facilities of the Quitarasca HPP was located in Áncash, until the beginning of December 2023, when unit 2 of the plant came into operation again.

We present the details of our main plants and assets.



**PUNTA LOMITAS WIND POWER PLANT AND IT'S EXPANSION (PUNTA LOMITAS WPP)**  
**Ocucaje, Ica**

It has a total installed power of 296.4 MW and has 57 wind turbines (5.2 MW per wind turbine). The Punta Lomitas WPP entered commercial operation on June 16, 2023, with 50 wind turbines and a total of 260 MW, while its Expansion project entered commercial operation on December 24 of the same year, with

an additional installed power of 36.4 MW and 7 wind turbines. The wind power plant has two substations: the main Punta Lomitas substation, of the GIS type (compact, encapsulated and gas-insulated substation), and the Derivation Substation, of the AIS type (traditional, open substation), for the connection with the SEIN. From the Punta Lomitas Substation, a double-circuit 220 kV transmission line, each with a capacity of 300 MVA and 60 km in length, conveys the generated electrical energy to the Derivation Substation.





### **INTIPAMPA SOLAR POWER PLANT (INTIPAMPA SPP)** **Pampa Lagunas, Moquegua**

The first photovoltaic power plant of ENGIE Energía Perú entered commercial operation in March 2018. It has an installed capacity of 40 MW and is composed of 138,120 panels, supplying 18 inverters, which are grouped in 9 ITS (two inverters in an ITS)<sup>14</sup>. The Intipampa SPP is connected to the transmission line located between the Moquegua Substation and the MillSite Substation.

In 2021, improvements were implemented in the sun panel tracker system (trackers) in order to produce more power at the beginning of the day and at the end of the afternoon. With these improvements, we managed to increase the plant production in 2022 and 2023.



### **QUITARACSA HYDROELECTRIC POWER PLANT (QUITARACSA HPP)** **Yuracmarca, Áncash**

It entered commercial operation in October 2015 and has a rated capacity of 114 MW. The Quitaracsa HPP makes use of the basin of the Quitaracsa river and San Mateo creek, tributaries of the Santa river, to generate clean and renewable energy. It has a daily regulation reservoir referred to as Shapiringo, with a capacity of 270,000 m<sup>3</sup> adjacent to the Quitaracsa river, a 6-km-long headrace tunnel and a gross head of 874 m.

In addition, it has two Pelton turbines with a nominal power of 57 MW each; and supplies its energy to the Kiman Ayllu Substation through a 5.4 km 220 kV transmission line. In 2023, the climate phenomenon produced by Cyclone Yaku impacted the HPP Remover, which caused it to be unavailable since March 13, 2023. In June, the COES ordered the exit of commercial operation of the plant in application of the COES PR-20 Technical Procedure. In December 2023, unit 2 restarted operations, after cleaning, repairing and reinforcing civil and electromechanical facilities. Likewise, in 2023 work has been carried out to return unit 1 to operation, which is scheduled for the first half of 2024.



<sup>14</sup> ITS Inverter Transformer Station – Station that converts direct and alternating current and increases it from 660 volts to 22.9 KV





### **YUNCAN HYDROELECTRIC POWER PLANT (YUNCAN HPP)** **Paucartambo, Pasco**

Through an international public tender, on February 6, 2004, we were awarded the Yuncán Hydroelectric Plant under a usufruct contract for a period of 30 years, starting from September 7, 2005, the date on which the delivery certificate was signed.

The Yuncan HPP, located in the Paucartambo and Huachon river basins, has a rated capacity of 134.2 MW and has three Pelton turbines with a rated capacity of 44.7 MW.

A dam and a daily control reservoir called Huallamayo, with a capacity of 1.6 million cubic meters and a useful volume of 458,000 m<sup>3</sup>, have been built to capture the waters of the Paucartambo River.

The Huachón and Paucartambo river basins are the seasonal reservoirs of the Statkraft company, which also uses the Yuncan HPP.



### **CHILCA UNO THERMAL POWER PLANT (CHILCA 1 TPP)** **Chilca, Lima**

It is a combined cycle power plant with a total rated capacity of 851.8 MW.

It has three gas turbines, of which (i) two gas turbines, with a rated capacity of 180 MW, entered commercial operation in 2006 and 2007, respectively; and (ii) one gas turbine with a rated capacity of 199.8 MW, entered commercial operation in 2009.

The Chilca 1 TPP has a steam turbine, with a nominal power of 292 MW, which entered into commercial operation in 2012.

In order to ensure responsible water consumption, we have a reverse osmosis desalination plant, which produces desalinated water for the plant's operation.

The Chilca 1 TPP is connected to the Chilca Substation through a 220 kV double-terminal transmission line.



### **CHILCA DOS THERMAL POWER PLANT (CHILCA 2 TPP)** **Chilca, Lima**

It is a combined-cycle plant, composed of a gas turbine and a steam turbine, which have a combined rated capacity of 111 MW. They entered into commercial operation in May 2016 and December 2016, respectively.

The Chilca 2 TPP operates with natural gas, which is supplied through a pipe system from the existing gas station at the Chilca 1 TPP. The plant connects to the power substation of the Chilca 1 TPP through a 220 kV double-circuit transmission line.







### **NODO ENERGÉTICO ILO 41 THERMAL POWER PLANT (ILO 41 TPP)** **Ilo, Moquegua**

It entered into commercial operation in October 2016, after our company invested and acted in response to the need of the Peruvian Government to develop power plants in the south of the country to ensure future energy supply and take advantage of the arrival of gas to the south. As return on investment, we entered into an agreement with the Peruvian Government to guarantee fixed revenues for 20 years. The contract also stipulates certain provisions regarding the use of the natural gas

It is fitted with three (3) dual gas (diesel/ gas) turbines, in open cycle, that currently operate with B5-S50 diesel fuel, with a rated capacity of 610 MW.

It has diesel storage tanks, with a capacity for 375,000 barrels, which ensure operation at maximum load for 15 days.

The Ilo 41 TPP has a Black Start system, as established in the agreement with the Government, to start up the plant in case of a full outage and restore power supply to the system.

On the other hand, the plant supplies energy to the Montalvo Substation through a single-circuit transmission line of 500kV, through a simple tern, with the capacity to transmit up to 1400 MVA and 75 km in length.



### **COLD RESERVE ILO 31 THERMAL POWER PLANT (ILO 31 TPP)** **Ilo, Moquegua**

It is a plant operating under the cold reserve regime according to the concession agreement "Generation Cold Reserve - Ilo Plant" entered into with the Peruvian Government, i.e., it is ready to operate and quickly respond in case of an energy emergency.

It started commercial operations in June 2013 and is fitted with three dual (diesel/gas) turbines that currently use B5-S50 diesel to generate a rated capacity of 500 MW.

It has diesel storage tanks, with a capacity of 195,000 barrels, to ensure operation at maximum load for 10 days. Like the Ilo 41 TPP, it is fitted with a Black Start system

It is connected to the Ilo 21 Substation to convey the energy through the transmission lines running from this substation to the 220 kV Moquegua Substation.







### **BATTERY ENERGY STORAGE SYSTEM (CHILCA-BESS)** Chilca, Lima

The BESS is located in the facilities of the Chilca 1 TPP. It started commercial operations on July 27, 2023 and has a capacity of 26.5 MW in power, with 7 inversores and each inverter with 12 battery modules.

Chilca-BESS is considered as an independent system that provides primary frequency regulation service (RPF) to the SEIN, and covers the rotative reverse of the Chilca 1 TPP and Chilca 2 TPP.



### **PORTUARY TERMINAL** Ilo, Moquegua

The Ilo complex was the Ilo 31 TPP and the Ilo 41 TPP is located, has a dock of 1,250 m designed for ships of 70,000 T displacement, which remains in operation to date. On March 6, 2018, ENGIE Energía Perú and the company Anglo American Quellaveco S.A. (AAQSA) signed an agreement for the development of a mineral storage and port access project, which has a validity of 37 years. Under this contract, AAQSA has the right to use the port terminal and has rights over a portion of the land owned by ENGIE Energía Perú to export its copper concentrate.



### **MOQUEGUA SUBSTATION** Mariscal Nieto, Moquegua

It is an important power reception, transformation and distribution center in the southern part of the country, which serves as a connection point of the Intipampa SPP, Ilo TPP and Ilo 31 TPP to SEIN.

The substation has a control room, two 300 MVA 138/220 kV auto-transformers each and two 220 and 138 kV busbars. The Socabaya-Moquegua, Ilo 2-Moquegua, Moquegua- Puno, Moquegua-Tacna and Moquegua-Montalvo transmission lines connect at the 220 kV bus bars; whereas the Ilo 1-Moquegua, Moquegua-Botiflaca, Moquegua-Toquepala-REP transmission lines and the supply to the City of Moquegua are in the 138 kV bus bars through a 138/10 kV transformation cell.



### **BRANCH SUBSTATION** Santiago, Ica

The substation has a control room and double 220 kV bus. The two transmission lines that arrive from the C.E. are connected to the 220 kV bars. Punta Lomitas and its Expansion, and also the two transmission lines of the concessionaire in charge of transmission between Ica and Marcona, through which we connect to the SEIN.





## PLANTS FEATURES

PLANTS	UNIT	SOURCE OF GENERATION	RATED CAPACITY (MW)
Punta Lomitas WPP and Expansion	57 WTG*	Eólico	296.4
Intipampa SPP	09 ITS**	Solar	40.0
Quitaracsa HPP	G1, G2	Water	114.0
Yuncan HPP	G1, G2, G3	Water	134.2
Chilca 1 TPP	TG11	Natural gas	180.0
	TG12	Natural gas	180.0
	TG21	Natural gas	199.8
	TV	Steam	292.0
Chilca 2 TPP	TG41	Natural gas	75.5
	TV42	Steam	35.5
Ilo 41 TPP	TG41, TG42, TG43	Diesel 2	610.0
Ilo 31 TPP	TG1, TG2, TG3	Diesel 2	500.0
Total			2,657.4

(\*) WTG: Aerogenerator

(\*\*) ITS: Inverter and Transformer Station (two inverters/ITS)

## PLANT GENERATION

PLANTS (*)	SOURCE OF GENERATION	GENERATED ENERGY 2023 (GWh)	%
Punta Lomitas WPP	Wind	707.8	8
Intipampa SPP	Solar	107.2	1
Quitaracsa HPP	Water	148.4	2
Yuncan HPP	Water	799.5	9
Chilca 1 TPP	Natural gas	6,039.1	68
Chilca 2 TPP	Natural gas	585.2	7
Ilo 41 TPP	Diesel 2	308.0	3
Ilo 31 TPP	Diesel 2	121.2	1
Total		8,816.4	100

## TRANSMISSION LINES

We have several 138, 220 and 500 kV transmission lines, which permit us to inject the energy produced by our plants to the SEIN. They are distributed as shown below:

TRANSMISSION LINE	CODE	LENGTH (KM)	VOLTAGE	CAPACITY	YEAR OF START-UP
Ilo 4-Montalvo	L-5039	75.0	500	1,400	2016
Ilo 2-Moquegua	L-2027	72.5	220	400	2000
Ilo 2-Moquegua	L-2028	72.5	220	400	2000
Punta Lomitas-S.E. Derivación	L-2313	60.1	220	300	2022
Punta Lomitas-S.E. Derivación	L-2314	60.1	220	300	2022
Santa Isabel-Carhuamayo Nueva	L-2266	50.1	220	260	2006
Moquegua-Botiflaca 1	L-1381	30.8	138	196	2000
Intipampa-MillSite	L-1394	28.0	138	100	2000
Moquegua-Intipampa	L-1384	10.7	138	100	2000
Moquegua-Botiflaca 2 (*)	L-1382	5.8	138	160	2000
Quitaracsa-Kiman Ayllu	L-2277	5.5	220	150	2015
Ilo 1-Moquegua (**)	L-1383	2.3	138	130	2000
S.E. Chilca 1-S.E. Chilca 220 kV	L-2101	1.0	220	800	2007
S.E. Chilca 1-S.E. Chilca 220 kV	L-2102	1.0	220	800	2007
Chilca 2 TV-Chilca Uno	L-2122	0.5	220	150	2016
Chilca 2 TG-Chilca Uno	L-2121	0.5	220	150	2016
<b>Total</b>		<b>476.3</b>			

(\*) Tramo S.E. Moquegua-Estructura E19

(\*\*) Tramo estructura E170-S.E. Moquegua



# 1.5 OUR PROJECTS

For the last few years, including 2023, we have been focused on developing a project portfolio in response to our business strategy: act to accelerate the transition towards a carbon-neutral economy.

## RENEWABLE ENERGY

In line with this, our energy projects under development seek to increase generation and injection of clean energy into the system, through different renewable sources, including:

**Wind.** In 2023 we started the commercial operation of the Punta Lomitas Wind Power Plant and its expansion, with a installed total capacity of 296.4 MW. The wind farm is located in the Ica region. Following our strategy of investment in renewable energies, we have signed and agreement of buy-sell with the intention of acquiring the holding companies of two wind farms in operation: Duna (18.4 MW) and Huambos (18.4 MW), and two greenfield wind projects: Naira I ( 20 MW) and Naira II ( 20 MW), both located in the Cajamarca region. The closing of this operation is conditioned to Indecopi's approval.

In addition, we have in total approximately 860 MW in wind generation projects in different stages of development.

**Solar.** In our portfolio, we have the Hanaqpampa (300 MWac), that obtained the definitive concession of generation in 2023 and the Ruphay (118 MWac) solar project, that has an environmental authorization and it's preoperational study has been approved.

## ASSETS OPTIMIZATION

In July 2023, we started the commercial operation of Chilca-BESS, of 26.5 MW, which provides satisfactory mandatory service of primary regulation of the frequency of the Chilca 1 TPP and Chilca 2 TPP.

## POWER TRANSMISSION

We are evaluating the development of electrical transmission projects, mainly derived from private investment promotion processes organized by the Private Investment Promotion Agency (Proinversión) to build transmission lines and substations of the guaranteed transmission system.

Additionally, we are evaluating operation and maintenance projects for transmission infrastructure for mining clients.

In this regard, MINEM has informed that, as part of its Early Agenda for 2023, it will evaluate the regulation of the third paragraph of Article 122 of the Electrical Concessions Law relating to the vertical integration of electrical activity.

Also, in January 2024, the MINEM informed in its Early Agenda of the year, that the regulation is a priority action.



## 1.6 OUR SAFETY CULTURE: ONE SAFETY

We have set up a culture of safety prioritizing the health and integrity of our employees. That's why we've set up the program One Safety, an initiative from the Group ENGIE, whose main objective is to eradicate fatal and serious accidents in all our operations and projects, and guarantee the safety of all employees, contractors and stakeholders. We are all actors committed to safety, to our care and that of others. This

philosophy has allowed us to end 2023 with 0 injuries for our staff and an Accident Frequency Rate of 0.74 for our contractors, which has made preventive management possible. which has stopped more than 130 jobs with safety observations, more than 16,000 hours of training for its own personnel and 50,000 hours for contractor personnel.

Our culture, which underpins its success that we must all think, speak and act to never compromise safety, is based on three pillars: no lives at risk, no minds at risk and no assets at risk.

### Main indicators of safety and occupational health 2023

Number of labor incidents-employees	7
Number of labor-contractors incidents	7
Number of minor accidents-employees	2
Number of minor accidents-contractors	5
Number of disabling accidents-employees	0
Number of disabling accidents-contractors	1
Number of fatal accidents-employees	0
Number of fatal accidents-contractors	0
Number of occupational diseases-employees	0
Number of occupational diseases-contractors	0
Frequency rate of injuries with lost time-employees	0%
Frequency rate of injuries with lost time-contractors	0.74
Percentage of employees with an annual medical exam	100%

### 1.6.1 NO LIFE AT RISK

It's important to be aware at every level and in every area of the organization about the responsibility that we have with our actions and decisions towards other people's lives and our own lives, for which we have **five tools**:

**1. Rules that save lives:** we know and apply the main safety indications.

- **Stepping aside:** Stay out of the path of vehicles, heavy machinery and moving equipment
- **Keep wired:** Attach the harness to the lifeline when working at height.
- **Check:** Verify the absence of energy (mechanical, chemical, electrical, fluids under pressure, etc.) before starting work
- **Ressure:** Only go down into a trench if landslide protection measures are applied and adequate.
- **Control:** Before entering confined spaces, ensure that the interior atmosphere is reliable and monitor it throughout the operation.
- **Discard:** Do not work or drive under the influence of alcohol or drugs.

- **Avoid:** Do not walk under suspended loads, do not stop under them.
- **Hold:** Before carrying out hot work, ensure that there are no fire or explosion hazards.
- Stop:** Do not handle phones or other communication devices while driving.

**2. Stop the work:** stopping the work that is considered dangerous, give an alert and restart it only when the conditions are safe. .

**3. Events and incidents:** reporting the events and incidents to prevent serious situations in the future.

**4. Shared surveillance:** being surveillant for our own safety and

the rest and apply the active caring (I take care of myself, take care of the others and let myself be taken care)

**5. The minute that saves lives:** we took a minute before starting our work to re-evaluate the risks and precautions that we need to take to avoid accidents or dangerous situations.



## 1.6.2 NON MIND AT RISK

We care about the comprehensive well-being of our employees, ensuring their physical and mental health. Therefore, during 2023, activities related to the emotional and psychological well-being of ENGIE Energía Perú staff continued to be carried out, through talks that provide them with tools, strategies and knowledge to identify, prevent

and face psychosocial risks and management of complex scenarios.

**Thus, we can point out the following as our main activities of the year:**

- 14 talks and workshops aligned with mental health, such as managing work stress, among others.

- Mental health week was held, whose main objective was to publicize the importance of mental health and learn how to take care of it to improve our quality of life, through group sessions and workshops. The participation of 75% of the staff was achieved.



### 1.6.3 NO ASSET AT RISK

We prevent and act towards the risks linked to the company's assets that are involved in different processes, for that:

- We identify and control risks related to equipment and processes.
- We identify and control critical elements for the safety of the process, assets and people.
- We carry out routine verifications of the main parameters and the safety status of the equipment and machinery.
- We implement safe work procedures.

### 1.6.4 OUR SAFETY PERFORMANCE

#### 1.6.4.1 TRAINING AND PREVENTION ON SSO

At ENGIE Energía Perú we are convinced that training has been and is a determining factor in being able to continue establishing our culture of prevention. Therefore, during 2023, we have carried out various training activities that involve all our employees and motivate them to protect themselves, their colleagues and allow themselves to be protected, through the following activities:

- 7 training aimed at operational staff at the various branches, where 90% participation was achieved.
- 6 training aimed at all staff at the various branches, with 90% of participation.
- 2 training sessions aimed at the staff belonging to the emergency brigade of each branch.
- 1 training aimed at members of the Occupational Health and Safety Committee and Subcommittee<sup>15</sup> of ENGIE Energía Perú
- 4 safety stops throughout the company to prevent accidents, with our own personnel and contractors at all our branches.
- 1 campaign of safe driving.
- 1 safety meeting with the participation of the employees' families at all our headquarters.
- 1 virtual induction about the program One Safety for all the staff of ENGIE Energía Perú.
- 11 security leadership trainings involving the Executive Team, managers, bosses and other company leaders.
- 12,000 man-hours in total for training (the training lasted approximately an hour and a half), which achieved an average coverage of 70% of the staff for each contractor.
- There was no amount of investment in training contractors because they were training carried out by ENGIE Energía Perú's own staff.
- 100% of contracting companies with SSO training.

Also our SSO culture is extended to our contractors, which is why they were also part of our training program.

- 12 training sessions were made to our contractors.

<sup>15</sup> The ENGIE Occupational Health and Safety Committee 'hereinafter CSST' is a bipartite and joint body made up of representatives of the employer and workers with the powers and obligations provided for in Law No. 29783 and its regulations. ENGIE has a Central Committee made up of <sup>5</sup> representatives of the employer and <sup>5</sup> representatives of the workers \* a substitute for each member; and: <sup>04</sup> Occupational Health and Safety Subcommittees (Ilo Subcommittee, Chilca Subcommittee, Hidros Subcommittee and Lima Subcommittee). The meetings of the Central Committee and Subcommittees of Safety and Health at Work are monthly where compliance with indicators, progress of SSO objectives, progress of the annual SSO program, incident and/or accident analysis if present, breaks are presented, doctors and all information related to SSO issues.



#### 1.6.4.2. OUR MAIN ACHIEVEMENTS

**ISO 45001 Certification:** since 2021, at ENGIE Energía Perú we have the ISO 45001 certification (it replaced OHSAS 18001, 2004), which responds to our continuous improvement standards for risk management in security and health at work. This certification proves that the companies that manage effectively the working, continuously improves the performance in safety and health, and comply with the legal obligations. This year, ENGIE Energía Perú re obtained the certification.

**One Safety Program:** The goal of this program is to strengthen and make all of our employees aware about the safety at work with talks, training them in the five preventive tools of SSO.

- 16 trainers/coaches were trained.
- 120 managers and leaders at all the branches were trained in culture and leadership.
- 3 sensibilization campaigns.
- 3 Security Paredes to reinforce commitments.
- An induction session to all the staff in preventive tools, where 95% of the staff participated.

**Our families get integrated to our SSO culture:** We organized special visits for the families to tour the facilities of ENGIE Energía Perú so they can have an approach about the measures that we set in to guarantee safety and health in the work environment.

- 5 visits were made, where 50 families participated.

**(Me safe) Campaign:** a campaign that has the goal to improve the security culture of the employees of the contracting companies involved in the projects. It was executed during the project plan of partial abandonment of the Ilo 1 TPP and the project to recover Quitaracsa, with several working fronts, interference in assets at operation and high risk works.

- The project was directed to 5 contracting companies with 360 people.
- Seven activities were carried out to promote and recognize good performance in risk control at work.

**One Safety Awards:** In 2023 we were among the best projects of the internal award One Safety of the ENGIE Group as the best initiative at accident prevention, like the Yo Seguro (Me Safe) Campaign.

**Punta Lomitas Project:** the construction of a wind farm of 296.4 MW of power installed in Ica region, with 0 fatal accidents, more than 1200 people involved in the construction process, approximately 2.6 million hours of work.

**Chilca BESS Project:** the construction and installation of a battery plant of 26.5 MW. We finished with 0 disabling accidents for approximately 120,000 hours of work.

**Quitaracsa Recovery Project:** the recovery of our affected assets by the Cyclone Yaku in our Quitaracsa HPP; including reservoir, access road and power house, not yet completed at the end of 2023. To date, 0 disabling accidents in 150,000 hours worked.

**Contractor Portal:** it allows us to control entry, complying with the security requirements and reporting of indicators of the contractor companies that work at our headquarters. More than 50 have been registered in 2023.

**ENGIE Previenne:** we continued with the preventive activities performed by the staff through the app ENGIE Previenne, with which we have a feedback system to improve the time in reporting events that could compromise the safety of staff or third parties.

#### Our results:

- 12,827 preventive registers at ENGIE Previenne
- 7,205 Safety Moments: reinforcement of the 5 preventive tools of SSO
- 477 walks of the line of command
- 5,240 security inspections
- 10,328 security meetings
- 1,546 auditories with the 5 preventive tools of SSO

## 1.7 OUR COMMERCIAL MANAGEMENT

2023 was a year of challenges to our commercial management and to the electric sector of the country. We faced the climatic impact of the drought, changes in marginal costs due to different factors that varied the market configuration, among others. Despite this, our commercial management, combined with the diversification of our portfolio, allowed us to end the year maintaining the financial solidity of the company. As part of this management, we had to reevaluate contracts with clients, renegotiate conditions and establish new agreements to respond to the new market situation.

Despite this complex context, we made agreements with two important companies in the mining sector. At the beginning of the year we signed a contract with Huidbay Peru for the supply of up to 100 MW of electricity, supported by Renewable Energy Certification (iRECs). Through this agreement, we will supply electricity to the Constancia Mining Unit, owned by Huidbay, a copper producer and located in Cusco, for a period of 10 years that will begin in January 2026.

Likewise, we signed an agreement with Nexa Resources for 120 MW, a great achievement for our team, as it meant the re-entry of this important mining player into our client portfolio and the opportunity to work with this important client again from 2024 until 2026.

We remain focused on growing our renewable energy portfolio with a commitment to help our clients in their energy transition.

2023 was a year in which we got closer to our customers through different spaces that we created to interact, share knowledge and exchange experiences in order to continue aligning objectives with them.

### **Spaces for integration and cultures.**

Once a year, through our relationship plan with the clients, we generate meetings to connect and know their

interests and needs. Through these activities, our clients visited the Punta Lomitas Wind Power Plant, to know more about renewable energy, understand subjects of relevance to the electric sector, among others.

### **Perumin 2023-Mining Convention.**

Like every year, we attended one of the most important mining events in the world. On this occasion, we presented the business model that made the development of Punta Lomitas Wind Power Plant the first Wind Power Plant implemented product of the agreement of two private companies. Also, we promoted our project portfolio and we strengthened relationships with the main mining companies.

**Courses for our clients.** Through our variety of talks, workshops on location and virtual, we shared with our clients the important procedures in the electric sector. We explained the differences for each distributor. Likewise, we care about training them on electricity billing issues, so that they understand in detail the different factors associated with the calculation of their consumption and receipts. This information allows them to make better decisions for managing their operations.

**New extranet for clients.** We launched a new digital space so our clients can have more access to the information about the sector, the indicators of the historic and current consumption, virtual courses, scheduling their maintenance, among other subjects.

Due to the challenges that happened to us during the year, our annual satisfaction survey gave us a result of 84.4% as an indicator of general satisfaction (CSI) and a 40.7% as a loyalty indicator (NPS). These results challenge us to enhance our management and customer service for the coming years, and to continue improving the quality of our service. Finally, it is important to highlight that our commitment to developing new solutions to collaborate with our clients to achieve their objectives

and generate long-term alliances was recognized with the "Business Creativity 2023" award. On this occasion we received the award thanks to the business model that we implemented with Anglo American to develop the Punta Lomitas Wind Power Plant and that today allows the delivery of energy with support from iRECs for 100% of the consumption of the Quellaveco mining operation.

**"We remain focused on expanding our renewable energy portfolio with a commitment to helping our clients in their energy transition."**



## 1.7.1 NEW AGREEMENTS

During 2023, we signed 3 new agreements and 23 addenda, which required the amendment of contract conditions, mainly in terms of the agreement, prices and/or contracted capacities.

**Free clients.** In the free market, we entered into three agreements that represented 232 MW of contracted capacity in peak hours and twenty addenda for 215.65 MW of contracted power in peak hours.

The most notable contracts are those signed with Hudbay Perú S.A.C., located in the Cusco region,

for a contracted power of 100 MW in peak and off-peak hours, and a validity of 10 years; with Nexa Resources Cajamarquilla S.A. to meet your demand only during peak hours for 120 MW and a validity of three years. Likewise, a contract was signed with Pesquera Diamante S.A. for a contracted power of 12 MW and a validity of 1 year.

Regarding the addendums, the most notable were those signed with the Volcan mining group to modify the contractual conditions of five contracts, which add up to a contracted peak hour power of

93.48 MW; the one signed with the company Petroperú S.A. to extend the contract term for a few weeks with a contracted power of 45 MW; Both contracts ended in 2023. Finally, the addendum signed with Industrias Cachimayo S.A. to modify its commercial conditions.

**Distribution companies.** We also subscribed three addenda to free up unused contracted power to support its free market.

### IMPORTANT AGREEMENTS

CLIENT	POWER HIRED	DEADLINE
Hudbay Perú S.A.C.	100 MW	10 years from January 2026
Nexa Resources Cajamarquilla S.A.	120 MW at peak hour	3 years from January 2024
Pesquera Diamante S.A.	12 MW at peak hour	1 year from December 2023



## 1.7.2 CURRENT CLIENTS

At ENGIE Energía Perú we have a portfolio of 89 clients nationwide. Until December 2023, the portfolio of free customers and distribution companies totals a contracted power, at peak time, of 1,767.46 MW.

Of this figure, 1,099.52 MW correspond to free customers and 667.94 MW to distribution companies. The contracted power during off-peak hours was 1,809.58 MW in total.

## FREE CLIENTS AS OF DECEMBER 2023

CLIENT	POWER HIRED AT PEAK HOUR (MW)	POWER HIRED OUTSIDE PEAKHOUR (MW)
Anglo American Quellaveco S.A.	187.40	187.40
Compañía Minera Antamina S.A.	170.00	170.00
Sociedad Minera Cerro Verde S.A.A.	170.00	170.00
Marcobre S.A.C.	84.00	84.00
Yura S.A.	62.00	70.00
Volcan Compañía Minera S.A.A.	53.90	53.90
Corporación Eléctrica del Ecuador Celec EP	40.00	40.00
Gloria S.A.	31.00	31.00
Industrias Cachimayo S.A.	29.00	29.00
Minera Shouxin Perú S.A.	25.50	25.50
Trupal S.A.	25.00	25.00
Empresa Administradora Cerro S.A.C.	22.44	22.44
Lima Airport Partners S.R.L.	19.80	19.80
Administradora Jockey Plaza Shopping Center S.A.	17.00	17.00
Compañía Minera Chungar S.A.C.	16.94	16.94
Pesquera Diamante S.A.	12.00	12.00
Austral Group S.A.A.	10.00	10.00
Esmeralda Corp S.A.C.	10.00	10.00
San Fernando S.A.	7.17	7.17
Productos de Acero Cassado S.A.	7.10	7.10
Parque Lambramani S.A.C.	6.06	6.06
Casa Grande S.A.A.	6.00	6.00
Linde Perú S.R.L.	5.90	5.90
Inversiones San Borja S.A.	5.58	5.58
Inversiones Nacionales de Turismo S.A.	5.13	5.13
Cartavio S.A.A.	5.00	5.00
Others clients less than 5 MW	65.60	89.45
<b>Total</b>	<b>1,099.52</b>	<b>1,131.37</b>





**DISTRIBUTION COMPANIES AS OF DECEMBER 2023**

CLIENT	CONTRACTED CAPACITY (MW)
AGREEMENTS FROM LONG-TERM TENDERS	
Luz del Sur S.A.A.	167.65
Enel Distribución Perú S.A.A.	124.88
Electronoroeste S.A.	36.08
Sociedad Eléctrica del Sur Oeste S.A.	30.60
Electro Sur Este S.A.A.	16.99
Electrosur S.A.	12.50
Hidrandina S.A.	7.64
Electronorte S.A.	4.23
Electropuno S.A.A.	2.69
BILATERAL AGREEMENTS	
Enel Distribución Perú S.A.A.	85.00
Grupo Distriluz	78.51
Sociedad Eléctrica del Sur Oeste S.A.	41.86
Consortio Eléctrico de Villacuri S.A.C.	20.98
Electro Sur Este S.A.A. (mercado regulado)	16.50
Electrosur S.A.	13.75
Electro Sur Este S.A.A.	3.20
Electronoroeste S.A.	2.50
Electro Ucayali S.A.	2.40
Total	667.94

### 1.7.3 ENERGY AND CAPACITY SALES

The capacity and energy sales to free clients increased by 34% and 3%, respectively, decreased compared to the same period of 2022, mainly due to the bigger demand from our clients, to the higher prices of contracts indexed to natural gas, to the greater dispatch of our thermal plants due to lower hydrology between April and September 2023, and to the entry into commercial operation of the Punta Lomitas Wind Power Plant on June 16, 2023.

### VENTAS DE ENERGÍA, POTENCIA, PEAJE Y OTROS (MILES DE DÓLARES)

CLIENTE	2023	VARIACIÓN (%)	2022	VARIACIÓN (%)	2021	VARIACIÓN (%)
Venta de energía	464,353	34%	345,587	6%	324,793	10%
Venta de potencia	195,045	3%	189,698	1%	188,209	9%
Venta de peaje	3,494	3%	3,387	27%	2,671	-13%
Otros ingresos	8,911	-45%	16,235	-2%	16,533	35%
<b>TOTAL</b>	<b>671,803</b>	<b>21%</b>	<b>554,907</b>	<b>4%</b>	<b>532,206</b>	<b>10%</b>

### 1.7.4 EXTERNAL VARIABLES AFFECTING THE BUSINESS

External factors beyond management that can significantly affect the production of electrical energy are the following: climatic phenomena, regulatory changes, international raw material prices, capacity in the natural gas transportation system and line congestion; in addition to changes in consumption habits and demand.

In March 2023, Cyclone Yaku occurred on the northern coast of the country. This event affected the Quitaraca HPP, since it made her unwell during the period from March to December 2023.

2023 was a dry hydrological year, which decreased the hydraulic production of the SEIN plants and the operation of diesel plants increased, mainly between June and September.

In July 2023, an event occurred that affected the normal supply of natural gas, due to the maintenance of the Malvinas de Camisea plant. During this event, the production of the plants that operate with natural gas in

Camisea was reduced by 65%, which implied a reduction in the production of the Chilca 1 TPP and Chilca 2 TPP is approximately 100 GWh.

During this maintenance, the system required the operation of diesel

plants. Marginal costs during the event increased and ENGIE Energía Perú's production decreased.





Ch. 2

# STRATEGY

**WE FOCUS ON  
RENEWABLE  
ENERGY WITH  
THE BACKUP  
OF OUR  
FLEXIBLE  
ASSETS**



## 2.1 OUR BUSINESS MODEL

In the ENGIE Group and in ENGIE Energía Perú, we strive to act to accelerate the transition towards a carbon neutral economy. Our commitment is to become Net Zero Carbon in 2045 in all aspects.

Our strategy in Peru is to develop more capacity in renewable energy, while at the same time guaranteeing an energy transition with high standards in power generation reliability; and helping our clients to achieve their decarbonization objectives.

For this to happen achieving a mixture between the balanced energy is essential to guarantee the flexibility and efficiency of the energetic system.

We are convinced that no single technology can provide the solution

for an affordable and reliable energy transition.

To this end, we are focused on three activities: large-scale development of renewable energy, flexible electricity production and transmission networks to ensure energy access for all.

**Renewable energy.** In line with our decarbonization strategy and the demands from our clients on this issue, we are expanding our renewable energy portfolio.

We have put the Punta Lomitas Wind Power Plant and its Expansion into commercial operation, the largest wind farm of its type in the country, and we have a portfolio of projects in different stages of development, between solar and wind, for more than 1,200 MW.

**Flexible energy.** We operate combined cycle, emergency generation plants and an energy storage system with batteries. These flexible production assets are essential to manage the intermittent nature of renewable energy and the volatility of energy markets. This allows us to satisfy the demand of our clients with the greatest efficiency, supply reliability and at competitive prices.

**Transmission grids.** We have several 138, 220 and 550 kV transmission lines, which permit us to inject the energy generated at our plants to the SEIN.



### FINANCIAL IMPACT

- **US\$ 2,315** million of assets
- **US\$ 77** millions of cash
- **US\$ 1,174** of net equity
- **US\$ 584** millions of financial debt



### NATURAL IMPACT

- **Water footprint:** 262,378m<sup>3</sup> (annual volume used in all the operations)
- **Carbon footprint:** 3'653,206 Tons of CO<sub>2</sub> (77% of emissions from thermal power generation)
- **486 Tons of waste**, e, with a recycling rate of 32%



### HUMAN AND INTELLECTUAL IMPACT

- **544 employees**
- **145 people trained** to promote innovation among teams
- **0 fatal accidents**



### SECTOR IMPACT

- **8 generation plants**
- **2,657 MW** of installed capacity
- **1,763 GWh** of renewable energy production
- **+1,200 MW** of renewable energy under development



### SOCIAL AND RELATION IMPACT

- **Contribution to 14 SDG**
- **82,700 beneficiaries** from social actions
- **US\$2.3 millions** of social investment



### PARTNERS

- **Suppliers**
- 100% of suppliers** were evaluated.
- 10% of purchases** to suppliers from our areas of influence
- 67% of all critical suppliers** have current EcoVadis certification

### → Clients

**We have 89 clients**, with a contracted capacity of 1,767.46 MW.

- 38%** in the energy sector
- 42%** in the mining sector
- 21%** the manufacturing sector
- 7%** in other sectors



## ADDED VALUE:

### VALUE CLIENTS

#### CLIENTS

(Distributors and industries)

- Prioritize eco-friendly, economically competitive energies providing supply safety.

### VALUE SHAREHOLDERS

#### INVESTORS

- Profitability and value creation.

#### WORKERS

- Identify, develop and drive internal talent.

### SOCIAL VALUE

#### CONTRACTORS AND SUPPLIERS

- Hiring of suppliers and local contractors
- Performance assessment

#### COMMUNITIES

- Local development and continuous dialog
- We build shared value

### ENVIRONMENTAL VALUE

#### PLANET

- Sound environmental governance



## 2.2 OUR AMBITION FOR A SUSTAINABLE PERU

In ENGIE Energía Perú we are aware of our role and impact in the society, that's why we are acting in the best interest of our employees, clients, communities and shareholders, and looking to develop harmonious and long-lasting ties with all other stakeholders.

In this context, our general strategy integrates environmental, social and good corporate governance criteria,

considering that a sustainable management not only contributes as a great value to the company, but also facilitates environment protection, life quality improvement, as well as economic and social development.

Our vision of corporate sustainability seeks to build a new world of energy, carbon neutral and inclusive. Part of the common purpose of the ENGIE Group in the world is “to act to

accelerate the transition towards a carbon neutral economy” and is supported by our pillars of security and integrity; operational excellence; development of people and shared value with our stakeholders.







### 2.2.1 A CERTIFICATED SUSTAINABLE MANAGEMENT

In 2023, at ENGIE Energía Perú we achieved a score of 79/100 in the EcoVadis rating, with which we obtained the Platinum Medal for the second consecutive year, due to the highest score awarded by this corporate sustainability rating agency, and we entered thus in the 1% of the best evaluated companies in the sector worldwide. This success is the result of the efforts of our teams, who continually seek to improve processes and operating methods. It is not only a great encouragement for us but also for our clients, whom

we seek to accompany on the path of decarbonization; and suppliers, whom we intend to help in their sustainable development. The EcoVadis methodology is based on the main international standards, such as those of the Global Reporting Initiative (GRI), the United Nations (UN) Global Compact, the ILO (International Labor Organization) conventions, the ISO 26000 Standard and the United Nations Guiding Principles on Business and Human Rights.



**GLOBAL PUNCTUATION**

**79** /100

**Percentage** ⓘ


**99°**

### 2.2.2 A BUSINESS MODEL THAT CONTRIBUTED TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE UNITED NATIONS (UN)

As ENGIE Energía Perú we contribute to five (5) of the UN Sustainable Development Goals and significantly contribute to the other nine (9), through commitments with its stakeholders to create added value and a positive impact with a sustainable growth strategy.

# CONTRIBUTION OF ENGIE ENERGÍA PERÚ TO THE SGGs



<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>7.1</b> Ensure universal access to energy <b>7.2</b> Increase renewable energies <b>7.3</b> Double the rate of energy efficiency	<p>At ENGIE Energía Perú, we actively contribute to promoting universal access to clean energy through project development with renewable energies and improvement of energy efficiency, acting to accelerate the transition to a low-carbon economy.</p>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>8.2</b> Achieve higher levels of productivity through diversification, technology, and innovation <b>8.5</b> Achieve full employment and decent work <b>8.8</b> Protect labor rights and promote safe work	<p>At ENGIE Energía Perú, we contribute to the social and economic development of the country and areas where we operate through responsible tax practices, prioritizing safety, the protection of the human rights of its employees and subcontractors, creating job opportunities for local labor, and providing clean energy and innovation.</p>
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>9.2</b> Promote inclusive and sustainable industrialization <b>9.4</b> Upgrade infrastructure, clean technology <b>9.B</b> Develop technology, investigation, and innovation	<p>At ENGIE Energía Perú, we mobilize internal efforts and rely on the ENGIE Group's R&amp;D centers to innovate and update our facilities or processes, as well as those of our clients. We also participate in project development for the improvement and financing of infrastructure to benefit the communities in the areas of influence where we operate.</p> <p>We position ourselves as a responsible and innovative player in the transition to a low-carbon economy, working to share value with our stakeholders.</p>
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>12.5</b> Prevent, reduce, recycle, and reuse waste <b>12.6</b> Adopt sustainable practices in companies <b>12.A</b> Strengthen science and technology for sustainability	<p>At ENGIE Energía Perú, we promote the optimized use of resources and waste generated by our activities, as well as the promotion of sustainable and viable practices in our value chain. Consequently, our vision is to work for responsible consumption and production in the country and involve players in our area of influence.</p>
<b>13</b> CLIMATE ACTION 	<b>13.1</b> Strengthen resilience and adaptive capacity <b>13.3</b> Improve environmental education and awareness	<p>In view of our purpose and ambition to accelerate the transition to carbon neutrality, we strongly contribute to this SDG in our value chain. We foster the development of green technologies, renewable electricity production, and promote new energy projects through sources such as green hydrogen and by-products.</p>



# SDGS FOR WHICH EEP'S CONTRIBUTION IS SIGNIFICANT

<b>3</b> GOOD HEALTH AND WELL-BEING	<b>3.4</b> Reduce non-communicable diseases and mental health <b>3.8</b> Achieve universal health coverage <b>3.9</b> Reduce the number of deaths from chemicals and pollution <b>3.D</b> Strengthen health risk management	<p>At ENGIE Energía Perú, we have the ambition to increase our clean energy production, contributing to the improvement of living conditions of villages in our area of influence and to environmental protection.</p> <p>We guarantee access to social protection, including supplementary health coverage for our employees. In addition, we apply high occupational health standards that contribute to reducing the risk of occupational accidents or contamination in its operations and projects.</p> <p>At ENGIE Energía Perú, we execute initiatives that seek to support the communities living in the areas of influence where we operate, promoting the improvement of outdoor health risks through awareness-raising, information, and improved infrastructure or supply of materials.</p>
<b>4</b> QUALITY EDUCATION	<b>4.4</b> Increase skills for access to jobs <b>4.7</b> Foster global education for sustainable development <b>4.B</b> Increase higher education scholarships	<p>One of ENGIE Energía Perú's priorities is to promote local employment. To this effect, we seek to promote employability of people through education programs where we are present. We also establish relations with schools through the development of professional education programs. We also provide support for improvement of the infrastructure, supply of materials, and have a scholarship program in place.</p>
<b>5</b> GENDER EQUALITY	<b>5.2</b> Eliminate all forms of gender violence <b>5.5</b> Ensure women's full participation and equal opportunities	<p>At ENGIE Energía Perú, we take actions to promote gender equality through our commitments to women's participation in the decision-making process and strengthening areas with no discrimination in management and supervision positions. This contributes to strengthening our image as an inclusive employer. In addition, we aim at having a positive impact on society by promoting the employment of women in the electricity sector.</p>
<b>6</b> CLEAN WATER AND SANITATION	<b>6.3</b> Improve water quality. Reduce pollution and wastewater <b>6.4</b> Increase water-use efficiency (freshwater withdrawals)	<p>Access, conservation, and rational use of this resource are integrated into the water management strategy of ENGIE Energía Perú, through the measurement of water consumption, taking care of its quality, and the optimization of its usage and recycling. In areas of water stress, we prioritize the use of desalinated seawater for our activities not to impact the availability of water usage for local communities.</p>
<b>10</b> REDUCED INEQUALITIES	<b>10.3</b> Ensure equal opportunities	<p>ENGIE Energía Perú contributes to the local economic development by participating in a fair transition and providing job opportunities in compliance with current regulations. This inclusive contribution permits us to develop talent, providing equal opportunities.</p>
<b>14</b> LIFE BELOW WATER	<b>14.1</b> Prevent and reduce marine pollution	<p>Within the framework of our operations in Ilo, we work hand in hand with local associations to promote the protection and conservation of marine life.</p>
<b>15</b> LIFE ON LAND	<b>15.1</b> Ensure the conservation and sustainable use of terrestrial ecosystems	<p>We are committed to mitigating our impact on terrestrial life and work to preserve the ecosystems in the areas where we operate</p>
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	<b>16.5</b> Substantially reduce corruption and bribery in all their forms <b>16.10</b> Ensure public access to information and protect fundamental freedoms	<p>At ENGIE Energía Perú, we work for exemplary governance and with zero tolerance for all forms of corruption. In addition, we have established spaces of dialogue to promote communication transparency. We are also committed to performing our activities with respect to internationally recognized human rights.</p>
<b>17</b> PARTNERSHIPS FOR THE GOALS	<b>17.17</b> Encourage and promote effective public, public-private, and civil society partnerships	<p>Thanks to our activity, ENGIE Energía Perú builds sound relations with a wide variety of partners and we are a recognized player in areas where we are present. By capitalizing and strengthening our relationships, we can generate more activities with high social impact.</p>

## 2.2.3 SUSTAINABLE MANAGEMENT WITH OUR STAKEHOLDERS

At ENGIE Energía Perú, we take care of the people with whom we interact, and we involve them in the Energy Transition, which we want to be fair and inclusive. Together with our workers we are betting on Diversity, Equity and Inclusion, to promote new ways of thinking and acting that enrich the work of the teams. We believe that this focus on our organizational culture will

have a direct impact on the value proposition in the market and in the Society of ENGIE Energía Perú through innovation, a global perspective, an open, flexible and inclusive mentality. Aligned with our Responsible and inclusive Purchasing policy, we work with our suppliers and contractors to fulfill our commitments, following up on priorities, accompanying them in the processes and sharing

knowledge so that they integrate it into their business model. With the communities in our areas of influence, we strive to build and maintain a constant dialogue, seeking to generate an impact of shared value and contributing to the sustainable development of the communities.

## 2.2.4 CLIMATIC AND SOCIAL GOALS

With the desire to monitor and improve our performance in climate, environmental and social issues, we have defined 11 objectives to carry out in the coming decades, which materialize our commitments in Peru and accompany the CSR policy of the ENGIE Group.

ASPECTS	OBJECTIVES	DATE	STATUS: 2023 VS. 2022
CLIMATE	Reach Zero Carbon	2045	→
	Achieve 40% of renewable capacity in the production of electricity	2030	↗
	Achieve carbon neutrality in our working style via the compensation of the emission of greenhouse gasses	2030	→
SAFETY	Rate of frequency of injuries with lost time for employees and subcontractors in closed places with controlled access $\leq 2.3$	annual	✓
	No fatal accidents in all of our activities	annual	✓
DIVERSITY	Achieve at least 40% of women in positions of leadership	2030	↗
	Achieve at least 30% of women in working force	2030	↗
EQUALITY	Keep <2% on gender pay gap	2030	→
HUMAN FORCE	100% of trained employees	annual	✓
CORRUPTION PREVENTION	100% of the exposed staff trained in risks of corruption	annual	✓
SOCIAL IMPACT	Improving a 60% of the coverage of the initiatives and improvements on education for the branches and other national locations vs. 2020	2030	↗

- ✓ Annual objective accomplished
- ↗ Objective in process of been accomplished before deadline
- Objective in process of accomplishment on time
- Actions being setted up to accomplish the objective on time



It should be noted that the climate strategy of ENGIE Energía Perú is anchored in the global ambition of the ENGIE Group, and within this context, it adopts the objective of reaching Net Zero Carbon by 2045.<sup>16</sup> (For further information on our climate strategy see the Planet chapter on page 105).

## 2.2.5 MATERIALITY ANALYSIS

For this edition, the materiality analysis carried out in 2022 is maintained. Below, the selection process of the 20 material issues is presented in detail, previously evaluated from a total of 42, and organized into 3 thematic axes. The analysis has been carried out in 3 stages.

### 1. IDENTIFICATION OF THE POTENTIAL MATERIAL ISSUES

Our stakeholders, internal and external, are an integral part of our efforts to lead the transition towards a carbon neutral economy. At ENGIE Energía Perú, we value permanent dialogue as a key tool to understand the needs and expectations of our interest groups. Through this continuous exchange, we integrate their vision into our value creation process.

Additionally, the following is done:

- An in-house analysis of internal and external documentation, including ESG (Environmental, Social & Governance) trends in Peru and the region, priorities and strategy of the ENGIE Group.
- Sector benchmark, identification of best practices at the national and regional level.
- Alignment with expectations of investors and different evaluation organizations.

### 2. PRIORITY EVALUATION

In order to know the perception that our stakeholders, both internal and external, have about our ESG commitments and understand what their priorities and expectations are, the company conducts a survey every two years aimed at all interested parties. In 2022 we have the participation of 585 people, 41% more than the survey applied in 2020. These responses come from various interest groups, including clients, suppliers, the financial community, local communities, authorities, unions and civil society, media and opinion leaders, employees, Board of Directors and Executive Committee.

Among other results, the ESG 2022 survey shows that the priorities of our interest groups are the generation of renewable energy, business ethics and the creation of local jobs, topics in which we are also very committed.

This commitment is clearly reflected in our vision of sustainability. The same survey allows us to update the materiality matrix. By crossing

the priorities of our interest groups with the internal ones (Board and Executive Committee, employees), we have identified 20 relevant topics among the 42 analyzed. This alignment process helps us focus our efforts on areas that are meaningful to both our organization and those with whom we share a key relationship.

### 3. PLACING THE PRIORITIES

The results of the survey were consolidated and analyzed according to the next methodology:

- A score was assigned to each response according to its priority level (from 0: none to 5: decisive).
- For each topic, the average of the results obtained was calculated, on the one hand, for the internal interest groups, weighting the responses with the highest level of governance of the company, and on the other hand with the external interest groups.

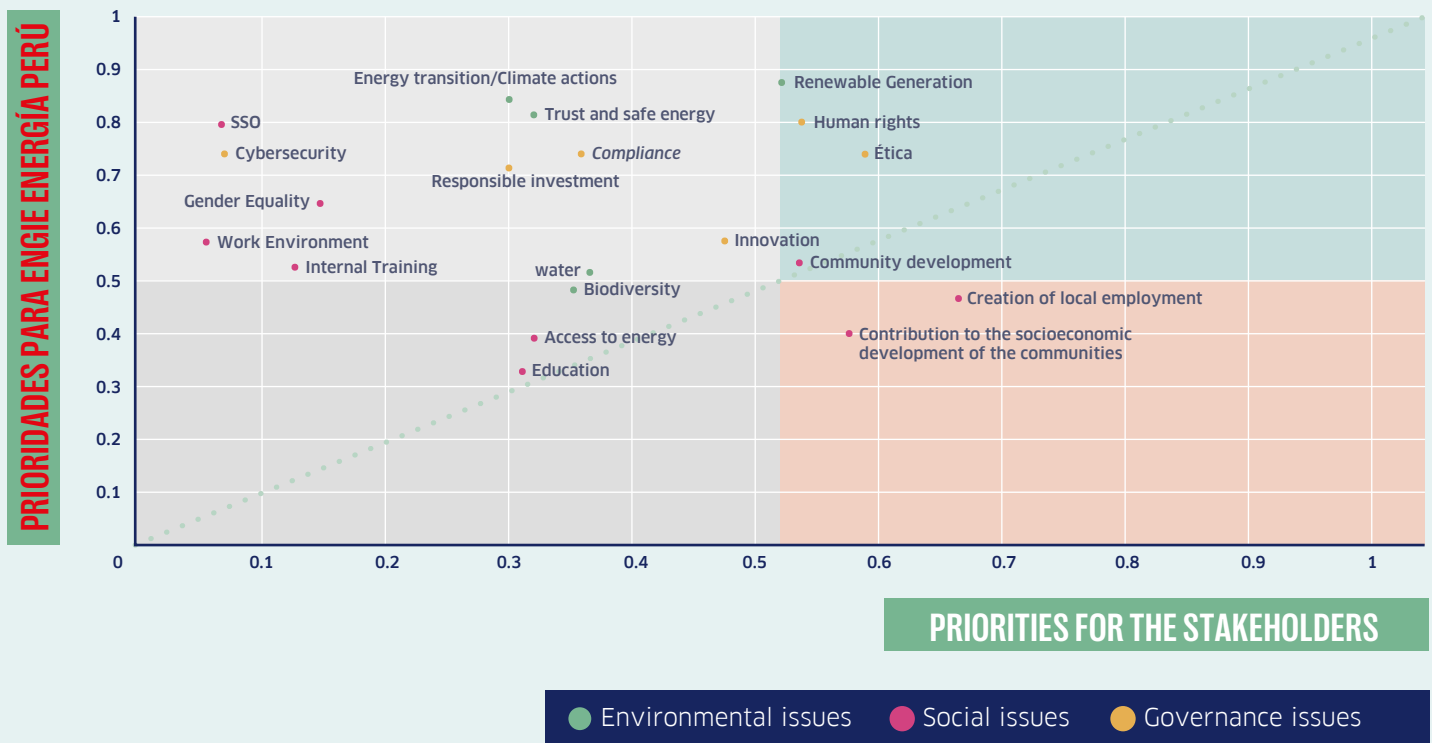
<sup>16</sup> The Science Based Targets initiative (SBTi) has defined net zero targets for companies as follows: to reach a state of net zero emissions companies should meet two conditions:

1. Reducing emissions in the value chain in a scale in line with the intensity of the reduction limiting global warming to 1.5° C with null or limited exceedance.
2. Counter the impact of any source of residual emissions that could not be eliminated by permanent elimination of an equivalent quantity of atmospheric carbon dioxide.

The SBTi has also published its Net Zero standard criteria for companies, as well as a specific guide for the financial sector.

→ The ratings were then consolidated on the vertical axis, the internal results, and on the horizontal axis, the external results, to finally obtain the 20 priority topics.

## MATERIALITY MATRIX



## 2.2.6 RELATIONSHIPS WITH STAKEHOLDERS, ALLIANCES AND MEMBERSHIPS

### Stakeholders and communications channels

















Every two years we check and identify our main groups of stakeholders and the communication channels that we keep with them.

The stakeholders are divided into five blocks:

- Internal (employees, unions, directors)
- Society (communities, NGO/OI, trade unions, media outlets and opinion leaders)

- Business (clients, contractors and suppliers, business partners)
- Authority (local, national)
- Financial (shareholders, analysts, bond holders, financial entities)



GRUPO DE INTERÉS			CANALES DE COMUNICACIÓN
GRUPOS DE INTERÉS FINANCIEROS	ENTIDADES FINANCIERAS		<ul style="list-style-type: none"> <li>• Presentación de los resultados trimestrales</li> <li>• Junta general de accionistas</li> <li>• Sitio web institucional</li> <li>• Reporte integrado</li> <li>• Contacto directo (Gerencia de Finanzas Corporativas y relación con inversionistas)</li> <li>• Medios / redes sociales</li> </ul>
	TENEDORES DE BONOS		
	ANALISTAS		
	ACCIONISTAS		
GRUPOS DE INTERÉS DE LA AUTORIDAD	NACIONAL		<ul style="list-style-type: none"> <li>• Conductos formales • Contacto directo (gerencias Regulación, Desarrollo, Asuntos Sociales, Relaciones Institucionales) • Reporte integrado</li> <li>• Medios / redes sociales</li> </ul>
	LOCAL		<ul style="list-style-type: none"> <li>• Mesas de trabajo • Participación a comités locales • Reporte integrado</li> <li>• Coordinadores asuntos sociales • Medios / redes sociales</li> </ul>
GRUPOS DE INTERÉS DEL NEGOCIO	SOCIOS DE NEGOCIOS		<ul style="list-style-type: none"> <li>• Acuerdos • Alianzas • Sitio web comercial • Reporte integrado • Medios / redes sociales</li> </ul>
	CONTRATISTAS Y PROVEEDORES		<ul style="list-style-type: none"> <li>• Portal proveedor (sitio web) • Contacto directo (Gerencia Logística y gestor de proveedores) • Reunión anual • Reuniones individuales periódicas • Reporte integrado • Medios / redes sociales • Comunicados enviados vía correo electrónico</li> </ul>
	CLIENTES		<ul style="list-style-type: none"> <li>• Encuestas anuales • Encuestas de satisfacción • Encuestas de transacción • Contacto directo (Gerencia Comercial) • Eventos • Reuniones con clientes • Sitio web comercial • Extranet clientes</li> <li>• Reporte integrado • Medios / redes sociales • Newsletter • Guías de usuario</li> <li>• Cursos del sector</li> </ul>
GRUPOS DE INTERÉS DE LA SOCIEDAD	MEDIOS Y LÍDERES DE OPINIÓN		<ul style="list-style-type: none"> <li>• Notas de prensa • Entrevistas • Medios / Redes sociales • Sitio web institucional • Eventos / webinars</li> </ul>
	GREMIOS		<ul style="list-style-type: none"> <li>• Participación en comités y mesas de trabajo • Contacto directo (Gerencia de Relaciones Institucionales) • Reporte integrado • Sitio web institucional</li> <li>• Eventos / webinars • Medios / redes sociales</li> </ul>
	ONG/OI		<ul style="list-style-type: none"> <li>• Contacto directo (gerencias de Relaciones Institucionales y Asuntos Sociales)</li> <li>• Reporte integrado • Sitio web institucional • Medios / Redes sociales</li> <li>• Eventos / webinars</li> </ul>
	COMUNIDADES		<ul style="list-style-type: none"> <li>• Mesas de trabajo/ diálogo/ negociación • Talleres participativos y audiencias públicas • Reporte integrado • Medios / Redes sociales</li> <li>• Contacto directo (coordinadores de asuntos sociales), emailings, whatsapp, llamadas y cartas • Buzón PQR (preocupaciones, quejas y reclamos) - Digital y físico • Visita a centrales • Eventos y campañas</li> </ul>
GRUPOS DE INTERÉS INTERNOS	DIRECTORES		<ul style="list-style-type: none"> <li>• Reuniones trimestrales</li> <li>• Reporte integrado</li> <li>• Medios / redes sociales</li> </ul>
	SINDICATOS		<ul style="list-style-type: none"> <li>• Proceso de negociación colectiva</li> <li>• Reuniones bimensuales</li> <li>• Medios / redes sociales</li> </ul>
	TRABAJADORES		<ul style="list-style-type: none"> <li>• Plataformas internas digitales • Encuesta ENGIE&amp;Me • Gestión del desempeño</li> <li>• Programa de capacitación y liderazgo • Campañas internas • Jornada para líderes (reuniones de equipos de gestión) • Reuniones con todo el personal (contacto directo) • Medios / redes sociales</li> </ul>

## MEMBERSHIPS AND CONTRIBUTIONS TO ASSOCIATION

Being a central player in the energy sector, as ENGIE Energía Perú we play an important role in society. Therefore, we are committed to cultivating strong relationships and positive interactions with our various stakeholders, including

unions and sectoral or local associations. Our approach with the unions or associations in which we participate is aimed at promoting the transition towards a world low in greenhouse gas (GHG) emissions and seeks to share our best practices in the protection of human rights, ethics, corporate responsibility and sustainability. We are committed to

being active agents in promoting significant changes towards a more sustainable future, acting in collaboration with different actors to achieve these shared objectives. We do not make contributions to political parties or others related to voting.

## CONTRIBUCIONES 2023

	2020	2021	2022	2023
<b>Campañas / organizaciones / candidatos políticos locales, regionales o nacionales</b>	S/ 0	S/ 0	S/ 0	S/ 0
<b>Asociaciones comerciales, cámaras de comercio o grupos exentos de impuestos (incluye tarifa de membresía)</b>	S/ 220,000	S/ 370,000	S/ 434,000	S/ 460,000
<b>Otros (por ejemplo, gastos relacionados a medidas de votación o referéndum)</b>	S/ 0	S/ 0	S/ 0	S/ 0

## ALLIANCES AND KEY EVENTS

At ENGIE Energía Perú we are committed to making alliances that have a collective impact in the transition to a neutral coal economy and sustainable development.

We interact with our interest groups in various forums and formats. Your contributions and reflections allow us to learn and improve our sustainability strategy. In all our engagements with stakeholders, we are committed to upholding the principles of transparency, consistency, accountability and integrity. In 2023, the following participations stand out:

**Regional Development in Moquegua region.** We actively contribute to creating the platform Moquegua Crece, an initiative that calls for coordinated action by actors from the public and private sectors for the sustainable development of the Moquegua region. To this end, inclusive, collaborative and multisector initiatives are

promoted that generate employment, improve family income, public services and infrastructure, and promote the sustainable management of renewable natural resources. The platform has the participation of the Regional Government of Moquegua; the International Finance Corporation (IFC, of the World Bank Group), M.C. Inversiones Perú, ENGIE Energía Perú and the support of various organizations, such as Forest Trends and the Mitsubishi Foundation for the Americas. In 2023, Moquegua Crece has been recognized with the Proactive Award in the Large Mining category; Peru recognition for the SDGs by the Sustainable Peru organization, in the Peace and Pact categories; and in the SNMPE Sustainable Development award, in the Dialogue and Articulation category.

**Section Events.** We had the opportunity to participate in many events of the energy sector, as promoters of a sustainable

development and good government. We use these moments to relate with different stakeholders, to listen and to explore new ways of impulsing collective action to have a positive impact on the people, the communities and our environment. Through the set up of our operation of the Punta Lomitas Wind Power Plant, we've shown our capacity to complete our engagements and to lead the energetic transition in Perú

Likewise, we have participated in the Perumin 36 Mining Convention, and in the Perú Energía and Expo Energía events. We also participated in the ESG event, organized by the Responsible Investment Program to share good practices in governance aspects.



## 2.3 RISK MANAGEMENT

ENGIE Energía Perú is exposed to several changing economic, political, social and competitive conditions that may have a significant impact on its revenues, image and listing. For limiting their occurrence, the company adapts to the global risk management policy of the ENGIE Group. Each leader monitors the risks in his/her area of responsibility and puts forward the target global exposure level for a given period of time. As a result, a risk management process is in place so that they can put forward action

plans and monitor their effective and efficient implementation. We have a risk culture that promotes constant risk assessment by the teams. It also performs an in-depth analysis process twice a year, including a risk review by each manager and vice president of the area. According to the internal organization, the Finance vice-president serves as the Risk Chief Officer, and his/her division leads the coordination and updating of the risk matrix is prepared with input from all areas in the company. The risk matrix

includes the risk name, description, evolution, evaluation of the probable and extreme scenarios, estimated impact, probability and action plans to minimize the impacts. The most important risks are presented to the Executive Committee, the Finance and Risk Committee, the Operational and Social Committee, the Commercial Committee, the Audit Committee and the Board of Directors. The Risk Management methodology is associated with four clearly identified stages:



## 01 Check of risks

- Validate the information.
- Identify the main risks and their responsables.
- Define the exposure level and action plans.
- Evaluate the effectiveness of the risk management.

## 02 Risk treatment

- Execute the plans of action.
- If there is need, set up risk policies.

## 03 Follow up of the action plan

- If there is need, correct the action plans.
- Follow up the risk indicators
- Evaluate the effectiveness (internal control of the process)
- If it's necessary, reconsider certain risks.

## 04 Update of the risk knowledge

- Prepare the check and classification of risks.
- Update the identification, evaluation, treatment and context.
- Evaluate the maturity and skills of the process.

In 2023, it was established the Energy Management Committee, chaired by the Vice Presidency of Finance, to monitor the market and credit risk of the portfolio. In addition, the organizational structure was reinforced to ensure the segregation of functions and create the Risk Control and Portfolio Administration departments, responsible for defining and controlling the risk level of commercial activities through the Energy Management Committee.

Also, we established a Committee for the El Niño Phenomenon, chaired by the Vice President of Operations, to follow the evolution of the El Niño phenomenon. In this working group, trends and projections of environmental parameters that

could affect our operations (ambient temperature, wind speed, rainfall, etc.) were monitored, in addition to the lessons learned from the Yaku phenomenon and monitoring of the projections of the National Study of the El Niño Phenomenon (Enfen), we prepare an action plan for the different plants to mitigate the impacts of the El Niño Phenomenon. We monitored the regulations issued by the government on the measures to follow to combat the impacts of this phenomenon, to see if it impacted our operations and, if necessary, we coordinated with local authorities. The most notable preventive works are:

1. **Chilca:** The discharge pipe of the desalinated plant was sunk, to prevent it from being affected

by the increase in the flow of the Chilca River and disrupting the combined cycle of Chilca 1 TPP and Chilca 2 TPP.

2. **Yuncán:** Standby machinery was hired to deal with possible landslides that affect access roads.

## RISK CATEGORIES WITH GREATER EXPOSURE

**Strategic**

Risks



**Financial**

Risks



**Operational**

Risks



**Emerging**

Risks



## STRATEGIC RISKS

They are risks related to the business activity, and cannot be reduced or transferred like operating risks can. These risks are managed by innovating, adapting business models, compiling business intelligence, developing competences. The following categories are grouped here: business environment; regulatory environment; marketing and reputation; information and strategic decision; organization and governance.

Our company has identified the following risks and mitigation actions in this group:

**Contractual risks.** Renegotiation or early termination of power purchase agreements.

**Mitigation.** Follow up and provide support to clients to know and address their power supply needs and to project market scenarios that allow anticipating volatility conditions and their impact on the profitability of contracts, in order to design mitigation strategies (renegotiation of contracts, signing of supply contracts, etc.).

**Negative impact on margin due to variation in indexers.** Decrease in the margin due to the mismatch in the indexation of income and costs, triggered by the variation in the exchange rate, PPI and CPI, among others due to external events.

**Mitigation.** Monitor external events to know and anticipate the impact on indexers and maintain an adequate balance between indexers that impact income and costs.

**Energy market regulatory risk.** Risk of cost increasing or revenues decreasing due to new regulatory requirements or restrictions.

**Mitigation.** Attendance in open government-industry roundtables to analyze new regulations and provide our analysis to raise an open and transparent debate.

## FINANCIAL RISKS

Risks related to the financial activities of the company. This group includes

the prices of the commodities: prices and rates; liquidity and counterparty risk.

The following financial risk was identified:

**Exchange rate impact.** Fluctuations in the flow of income between invoice issuance and collection of the account receivable due to exchange rate variations.

**Mitigation.** Take hedging financial instruments at the time of issuing the invoice (forwards) to ensure stable cash flow.

**Impact in the interest rates.** Increase in financial cost due to fluctuation in interest rates.

**Mitigation.** Take financial hedging instruments (interest rate swap), which allows a stable cash flow.

## OPERATIONAL RISKS

These are risks associated with the implementation of internal processes, hazards affecting the execution, the social climate and involved stakeholders. This group includes: operations; human resources; data handling and processing; natural risks; and corporate governance and ethics; contract management and supply chain; occupational health and safety; and environment.

Some of these operating risks are:

**Natural Disaster Risk.** This risk includes any event of nature causing the outage of a power generation plant.

**Mitigation.** Follow-up on the insurance policy (coverage, deductible, validity and exclusions).

In 2023, the El Niño Costero Phenomenon Committee was implemented to monitor its progress and the impact on the company's assets. This committee will continue to evaluate the integrity of assets exposed to this type of phenomena.

**Machinery breakdown risk.** This risk includes any breakdown of equipment or systems causing the outage of a power generation plant.

**Mitigation.** Follow-up on the insurance and compliance with the maintenance plan of generation units.

The acquisition of critical spare parts was evaluated and defined to ensure the availability of our generation plants.

**Hydrological risk.** More expensive purchases in the spot market due to high energy prices caused by low water availability.

**Mitigation.** Follow-up on the hydrology and maintenance of SEIN. Ensure the availability of our plants and implementation of a seasonal flow forecast model using statistical methodologies (correlation of climate indices and the flows of the main basins of the system) and global meteorological models (NCEP/NOAA, ECMWF, DWD, among others).

**Social Risk.** This risk includes any social event that can cause unavailability of one of our electric power generation plants.

**Mitigation.** Monitoring of the social climate in the areas of influence of our generation plants to prevent actions against the company.

**Risk of coastal El Niño.** More expensive purchases in the spot market due to high energy prices caused by lower thermal, wind and solar generation due to increased ambient temperatures.

**Mitigation.** Monitoring of the increase in ambient temperature and maintenance in the SEIN. Ensure the availability of our plants.

**Risk of generation reduction due to transmission system congestion.** This risk includes any event that causes congestion of the transmission system that reduces the generation of any of our electric power generation plants.

**Mitigation.** Propose the inclusion of transmission assets that avoid congestion in the systems close to our generation plants, and monitoring the execution of the transmission plan and optimization of the maintenance plan



for the transmission systems close to our generation plants.

**Natural gas unavailability risk.** More expensive purchases in the spot market due to high energy prices caused by the unavailability of natural gas (supply, transportation or distribution).

**Mitigation.** Optimization of the maintenance of the system units, as well as demand management, to reduce the impact, among others, to mitigate it.

**Risk of project implementation delay.** Events during project development that may result in delays in the work schedule, additional installation costs, or inefficiencies during the project.

**Mitigation.** Adequate monitoring of risks and compensations considered in contracts.

**Risk of fraud and corruption.** These are the risks derived from carrying out any act that is contrary to our ethical policies or local legislation on corruption.

**Mitigation.** Compliance with our ethical policies and our Crime Prevention Model.

## EMERGING RISKS

These are risks deriving from a new market trend in areas recently identified with potential risk in the mid- and long term; that is, in a three- to five-year horizon. They are often characterized by being distant threats that may cause damages in the future. We seek to identify these new scenarios early and be optimally prepared to face them.

Some of these emerging risks are:

**Risk of interruption in the logistics chain.** This risk includes any event that causes the unavailability of any of our electricity generation plants due to the lack of supply of goods or services due to logistical problems (closing of ports or canals due to climatic, social or political issues).

**Mitigation.** Plan logistical processes further in advance, to reduce the risk of external events affecting the supply of goods or services, as well as affecting the availability of our generation plants. In addition to continuously monitoring identified key suppliers and constantly monitoring the activities of the Operations area.

**Changes in electricity consumption pattern.** The energy sector is changing, and our clients demand energy-efficient and environmentally friendly

products. There are also clients who produce part of the energy they need (distributed generation), and they consume the remaining energy from SEIN (centralized generation). The impact is decreased revenues for centralized energy generation due to less demand from clients. In addition, there would be a possible oversupply, which may cause market prices to drop.

**Mitigation.** The company continuously studies and develops new renewable energy projects to improve its generation portfolio. It also adapts its business energy efficiency offer for its clients, promoting efficient operations.

**Displacement for development of new technologies.** Energy storage through batteries is becoming a fundamental aid for photovoltaic plants and wind farms to mitigate the intermittency impact. The impact for the company would be lower revenues due to low demand from clients producing part of their energy with photovoltaic plants as they could store the energy not used. On the other hand, thermal power plants running on gas may be displaced by renewable energy plants including batteries to use 100% of their generation.

**Mitigation.** The company is focusing on renewable energies and evaluating energy storage projects.

## 2.4 INNOVATION

At ENGIE Energía Perú, we believe that innovation is key for the energy transition, as it helps us to identify, test and roll out innovative scaled ideas that will make a difference. We innovate to create, improve and share initiatives adding value for the planet and the people, with a particular focus on solutions to improve the efficiency and safety of our clients and workers. We promote an innovation culture to constantly challenge and question the way we do things. We perform our

activities based on three priorities: identifying the new and future needs of our clients, being more efficient through the use of technologies and driving sustainable initiatives to accelerate the energy transition to a carbon-neutral economy. To get these results in line with the ENGIE Group strategy, our innovation relies upon four pillars: innovation culture, intra-entrepreneurship, open innovation, and sustainability. Within this context, we have decided to integrate

innovation into our Sustainability Management aiming at achieving not only technical innovation but also social innovation, as well as exploring innovation initiatives for reducing the carbon footprint, gender equality, water footprint or growth in renewable energies.

Our innovation strategy, aligned with the objectives of the ENGIE Group, is based on four fundamental pillars.

### INNOVATION STRATEGY



### OBTAINED RESULTS

In 2023 we will be able to enhance various company initiatives aligned with our strategic focuses with innovation, sustainability, digitalization and technology.

→ **Occupational Health and Safety.** Creation of innovative safety campaigns and programs that promote a culture of prevention among workers and our

contractors, which allowed us to close the year meeting safety objectives. Use of technology through digital platforms for the efficient management of security documents for work with contractors. Using drone technology to reduce risk exposure on our transmission lines during inspections. Finally, the use of dashboard-type analytics tools for all the security information of our tools for quick and better decision making.

→ **Operational excellence.** We innovate in our operations to maximize the reliability and availability of our plants with the support of technology. Through real-time information from our PI Robin system, decisions can be made faster and in pursuit of operational excellence. We launched the bootcamp for BPO (Business Process Owner), which will be executed in 2024 and which seeks to generate more

continuous improvement projects in the company with innovation, through workshops and the learning by doing methodology, and aligned with the ENGIE Ways of Working . Additionally, in 2023 we were able to execute a low-cost telemetry solution for meters that allows us to have access to our customers' consumption information in real time, and thus achieve greater efficiency in the billing process. Within this focus,

different initiatives were executed with the communities in our areas of operation: improvement in the seaweed collection and drying process in Punta Lomitas; and the cultivation of seaweed in Ilo with the innovative use of vegetative propagation technologies.

## INNOVATION IN FIGURES – 2023

### **+46 IDEAS PROPOSED**

by our workers inside the program “Ideas Garden”

### **3 PILOTS**

of innovation that ended fulfilling its purpose.

### **1 CHALLENGE**

for open innovation

### **3 SPACES OF COLLABORATION**

with the innovation ecosystem: Decarbonization, Culture, Talent and Technology H2Green

### **1 LABORATORY**

of innovation with the commercial, marketing, operational planning teams to develop a solution for the failure management

### **3 WORKSHOPS**

on innovation with open invitation to all company workers.

### **+131 PEOPLE**

trained in Artificial Intelligence (concepts and use cases) who will promote innovative initiatives within the company.

### **+94 PEOPLE**

trained on trouble detection tools and techniques to promote innovation among teams

### **+80 PEOPLE**

trained in the creativity workshop, from which we obtained 9 ideas that could become pilots.

### **6 INNOVATION BUILDERS**

to promote culture, accelerate ideas and take part in innovation projects and pilots.

### **2 STRATEGIC PARTNERSHIPS**

with the Peruvian innovation ecosystem.

### **3 ANNUAL MEETINGS**

of the Innovation Committee, where innovation projects and initiatives for the company were approved.

*Innovability Days*, our main event of innovation and sustainability was decentralized to the operational branches for the first time.



## INNOVATION CULTURE

Throughout 2023 we work to disseminate an innovation culture through four mechanisms: training, decentralization, acknowledgement and communication.

- **Training:** Through workshops with the latest innovation tools, the workers themselves propose ideas against the challenges that the business poses. Likewise, we train teams in new technologies such as artificial intelligence, so that they can propose initiatives that solve business challenges.
- **Decentralization:** through 2023 We have achieved several innovative projects that were worked on outside the innovation process, but that also contribute to the company's objectives. This shows that the culture of innovation is being done transversally.
- **Acknowledgement:** We recognize the team that was behind the innovative projects, we give them space in the annual project showroom, and we promote their participation in the different internal and external recognition contests.
- **Communication:** Through our different internal channels or interaction spaces in the company, we make known the projects that are being executed.

We seek to foster a culture of innovation that inspires everyone to become "Transition Makers", contribute with initiatives aligned with our corporate strategy and participate in the materialization of projects. In line with this innovative approach, we carry out the following programs in 2023:

- **Innovation Builders.** We have had six internal ambassadors who, in addition to promoting the culture of innovation in their teams and divisions, were in charge of organizing the Ideas Garden, supporting the creation of pilots and the innovation workshops.

- **Skilling or training.** Training was carried out with tools such as design thinking, growth mindset, high collaboration, creativity booster, among others.
- **Governance.** We maintain the innovation process and governance through the Innovation Committee, which is responsible for approving the pilots and ideas that move on to the next stages, and defining priorities.
- **Innovability Days.** In 2023 we organize an event to promote a culture that integrates innovation and sustainability in the company, and we implement awareness-raising and learning activities in sustainability and innovation to promote cultural transformation in workers through three axes: (i) educate, (ii) inspire and (iii) act. This year, for the first time, we decentralized the event and had in-person spaces in different venues, where we sought to (i) enhance knowledge on innovation and sustainability issues through talks and workshops; (ii) share good practices from the most innovative projects of the year in a showroom format, where project leaders present their initiatives to workers; and (iii) provide value through leadership innovation and creativity booster workshops, where we obtained nine improvement initiatives for the company.

Every year we participate with our initiatives in the One ENGIE Awards, innovation awards organized by the ENGIE Group in the world. In 2023 we nominated 17 projects, of which 2 were finalists. We achieved first place in the Be.U ENGIE category with the ENGIE Scholarships program: +Women in Energy.

## INTRAPRENEURSHIP

This year we continue promoting innovation spaces where workers propose ideas and participate in their execution. To do this, we use top down and bottom up mechanisms: the first to define strategic projects for the company, and they come from senior management, and the second we use in the different workshops and meetings of multidisciplinary teams, where ideas for improvements are collected. At any time of the year, our workers can enter their ideas in the Ideas Garden and will receive a response when their proposal is analyzed and validated. The innovation pilots that emerged under the top down and bottom up mechanisms that we have been working on are:

- **Low Cost Telemetry.** Pilot that uses the technological development of a Peruvian start-up to solve low-cost telemetry using our clients' current energy meters. With this pilot we will be able to deliver information on customer consumption almost in real time to improve the times of the commercial billing process.
- **Green Education Bus:** With this social innovation project, this year we have achieved that 871 boys and girls have the experience of teaching about electricity, environmental care and energy transition.
- **Failure Management.** Pilot who, through the use of an innovation mechanism, carried out a deep dive into the needs of our clients and the failure control center team. The result allowed us to conceptualize and test an innovative digital solution that solves the problem posed.

## OPEN INNOVATION

Working for our clients, this year we conducted a commercial workshop with Amazon, global partner of the ENGIE Group, where through the “working backwards” methodology, we found valuable challenges for our clients, and we have quickly provided them with a proposed solution through digitalization. We have validated the solution for them and we are working on a minimum viable product for a second validation.

## OPEN INNOVATION CHALLENGES

We participate in an open innovation process together with our innovation unions, in which we look for innovative start-up solutions that help us improve the operational efficiency of our processes with technology and improve the safety of people and our operations. The initiatives that were received will be analyzed as part of the innovation process for adequate prioritization.





## 2.5 DIGITAL TRANSFORMATION

In 2023, we will develop and implement several solutions and technologies to automate processes and improve data use. These include Internet of Things (IoT) platforms for viewing and storing historical data of control signals, a new portal for customer self-service, a system for contractor entry, migration of applications to the cloud, etc. We have strengthened the use of global platforms by migrating corporate workstations to Microsoft's Intune platform, as well as using Zscaler for all our users to navigate. We have migrated the remote control of our hydroelectric plants to a hosting service and we have used Amazon

Web Services (AWS) to make the execution of our short- and long-term business models more efficient.

### ERP SAP

In 2023 we joined the global transformation program GET (Global Enterprise Transformation) of the ENGIE Group, being one of the first pilots, with the objective of harmonizing the operational, finance and logistics processes which will be supported on a single SAP platform. The standardization of processes will bring us benefits such as: unlocking synergies at a

global level, improving compliance and mitigating risks, proactively managing our suppliers, improving closing processes, improving analysis capabilities, securing data, increasing cybersecurity, among others.

### CYBERSECURITY

In 2023, we successfully passed the audit to obtain ISO 27001:2022 certification, the latest version of the Information Security Management standard. ENGIE Energía Perú is the first electricity generating company in the country to have this certification<sup>17</sup>.

### CYBERSECURITY INCIDENTS

	2023	2022	2021	2020
<b>Low</b>	0	1	1	1
<b>Medium</b>	0	0	1	0
<b>High</b>	0	0	0	0
<b>Crucial</b>	0	0	0	0
OTHER INDICATORS	2023	2022	2021	2020
Security of Asset Directory # Pending activities)	0	0	0	0
Disclosed user browsing (Zscaler)	100%	100%	100%	98%
Equipment with antivirus	100%	100%	100%	100%
Updated servers	100%	100%	100%	100%

<sup>17</sup> We received the certification on Friday February 23, 2024



This achievement, which began as an ambition in 2022, is a sign of our commitment to the confidentiality, integrity and availability of the information we manage. This project is developed in three phases. In 2023 we will begin with all commercial processes, those related to the operations of the plants in Chilca (Operation and Maintenance) along with the transverse processes associated with the areas of Finance, Legal, Human Resources, Occupational Health and Safety, Asset Security, among others. In 2024 we will add the rest of the generation plants, the Commercial dispatch process for 2025 and we will seek to recertify all headquarters during 2026. During 2023 we will improve the monitoring of our generation plants supported by our Global Security Operation Center (GSOC) from where the ENGIE Group central office in Paris provides us with the monitoring, early detection and support service against cybersecurity incidents. We have managed to improve and maintain our compliance with the ICS 2.5 framework in all our generating plants (with more than two years of operation), and we have achieved a minimum of 95% adherence. This is essential to reduce risks in our operations and guarantee their cybersecurity. In 2024 we will implement the Bitsight scoring service. This establishes a universal understanding of cyber risk throughout the organization, allows us to evaluate the financial exposure of our organization and translate the technical aspect of cybersecurity into business language (Goal: >= 800 points). In this sense, cybersecurity incidents are kept at a low and controlled level (see table), which ensures the protection of the personal/sensitive data of our shareholders, clients, suppliers and employees, and complies with legislation. current of the country.

## CYBER SECURITY TRAINING

During 2023, we launched a new global awareness campaign to ensure that all workers are prepared and aware of the multiple threats they face in the digital world. Compliance with the courses is mandatory under the current platform, and associated with access control if the assigned courses are not approved. This is accompanied by creating a transversal cybersecurity culture at all levels of the organization. We currently have monthly and on-demand awareness sessions personalized for identified users, according to the results of our phishing campaigns. Cybersecurity courses are mandatory for all company employees. Next year, we will take a big step in cyber risk management by implementing the Bitsight scoring service. This service will give us a complete understanding of cyber risk across the organization and allow us to assess our exposure financially. In addition, we will be able to translate technical aspects of cybersecurity into business language. Our goal is to achieve a score of 800 or higher.

## DIGITAL & DATA

At Digital & Data, our focus is on continually improving our processes and helping workers make informed decisions. To achieve this, our team manages projects for the development and implementation of solutions and technologies to automate processes and improve the use of data. In 2023, several important projects were implemented that have significantly improved our decision-making ability and increased our efficiency:

### IoT - Visualization and historicization of control signals:

To improve efficiency and decision making in our company, we have implemented two IoT platforms that allow control signals to be visualized and historicized. These platforms securely collect signals from plant control systems and store them in the cloud, allowing data to be accessed from any location and corporate device. The benefits of these platforms include the ability

to analyze up to 10 years of data online, validate data online, receive alerts for conditions, monitor plant performance, generate trends for data-based decision making, and optimize maintenance. The platforms are the following:

- **PI Robin:** Platform for thermal power plants, the Chilca thermal complex and the Lima headquarters where the generation of the power plants is monitored are connected.
- **Darwin:** Platform for renewable plants, currently implemented for the Intipampa and Punta Lomitas headquarters. In 2024 we seek to add the rest of the company's renewable plants.

### Extranet:

This year we launched our new self-service portal designed exclusively to meet the needs of our customers. This project represents a significant milestone in our ongoing commitment to improving the customer experience and ensuring optimal access to the information we share. Since the beginning, we have cultivated a culture of active collaboration, working closely with our clients to shape every aspect of this innovative platform. This collective approach has allowed us to create a digital environment that faithfully reflects and meets the needs of our client portfolio.

### Move2Cloud:

As part of our strategy and to give greater availability to the digital services consumed by our users, clients and suppliers, we began the migration of five critical applications to the cloud. Three of these applications now run on the AWS platform and the other two on the Sharepoint Online platform. This change has allowed us to improve the performance of the applications, give them greater scalability and reduce costs associated with local infrastructure. Under the same strategy, we have managed to significantly reduce the execution times of our short and long-term business models by using the cloud as a lever to optimize technological

resources at the service of the business.

#### **Contractors system:**

With the aim of improving safety at work, we have developed a system that automates the process of contractors entering our facilities. This system has a self-service platform that allows contractors to upload the information required by our company, which is subject to a rigorous internal review and approval process. During phase II, we have implemented system improvements to streamline the document validation process, including a single approval. Additionally, we have added self-service so contractors can create access requests and have streamlined the collection of SSO information by contractors and site coordinators.

#### **RPA:**

This year we have successfully launched a comprehensive campaign for all areas, with the support of the Digital&Data team, to analyze and evaluate opportunities to reduce repetitive operational tasks. As a result of this initiative, we have managed to identify more than 10 processes in different areas, of which 6 have been selected as a priority for implementation during the first quarter of 2024. This stage represents the second phase of the project, conceived in 2023, in response to our continuous search for process optimization. The ultimate goal is to allow teams to focus even more on data analysis.

#### **Due Diligence:**

In order to guarantee the traceability of the process and control the validity of our suppliers' documentation, we have developed and implemented the Due Diligence project. Among its functionalities is the recording of the detailed review of the financial statements, the exhaustive evaluation of the legal situation of the supplier company, the evaluation of risks and opportunities associated with transactions, the audit of tax obligations, etc.

#### **IT OPERATION**

The IT Operation team is active 24/7 providing support to all our plants and administrative areas, keeping high service standards for addressing and managing our technological infrastructure. For this, we have the support of helpdesk specialists for the first-line service:

- Help Desk Services Specialists (Front Line)
- Specialists in incident attention and resolution (second line)
- Networking, servers and cloud specialists
- Cybersecurity specialists

In line with the above, we present some themes to highlight in 2023.

- The migration of corporate workstations to a platform based on Microsoft Intune, called Skynote of each employee. That is, it will be applied according to your profile and based on the ENGIE Group guidelines.
- The Telecommand service was implemented for the operation of our hydroelectric plants from the Lima control center; all under a virtualized platform in a Tier 3 level hosting environment, which increases the level of availability without putting our security at risk.
- The Commercial SCADA system for energy dispatch was migrated under a virtualized platform in a Tier 3 hosting environment, which raised the level of availability of the service without putting the security of the information at risk.
- The level of security in Internet browsing was increased for all users by implementing a Zscaler service in the cloud, which allows traffic to be analyzed under a virtual platform updated and supervised in real time.

- A Plexos commercial service was implemented under the AWS platform, which allows providing a very robust infrastructure in a short time and according to need.
- A Telecommand system was developed, which allows our C.S. to operate. Intipampa from the control center of the Ilo complex, through fiber optic threads dedicated to this service.



Ch. 3

# CORPORATE GOVERNANCE

WE GUARANTEE  
TRANSPARENCY  
AND ETHICS





## 3.1 ETHICS AND INTEGRITY

### CORPORATE VALUES

We work under sound principles established in our Ethics Charter and Practical Guide to Ethics, which require us zero tolerance against unethical behaviors.

- We act according to the legal and regulatory provisions.
- We behave with honesty and promote a culture of integrity.
- We are loyal.
- We respect others.

To ensure a performance consistent with the company's vision and vis-à-vis our stakeholders, we have a sound system of compliance with corporate ethical standards, including but not limited to anti-corruption issues, conflict of interest prevention, respect of human rights, etc. We also have an Ethics Officer and Ethics Committee responsible for overseeing compliance with our internal policies and procedures.

### Transparency with our interest groups

In 2023, with the objective of sharing with the different stakeholders groups our reference frameworks of our operation, we have carried out the publication of different policies on our website, which cover topics related to anti-corruption, prevention of sexual harassment in work, diversity and inclusion, among others. By publishing these policies we are looking for our stakeholders groups to have greater clarity about our objectives, mission and vision of the company. It is important for us to transmit the high standards of internal governance for decision making and our action plans.

### Our Ethics Charter

The Ethics Charter, together with the Practical Guide to Ethics, is the foundation for the internal policies

and code of conduct adopted by the company and, consequently, by its employees. No development or performance objective implies waiver of these principles. In view of the foregoing, ethics is at the forefront of our management of day-to-day activities to build trust of our stakeholders, such as our clients, partners, suppliers and communities.

Both documents are posted in our website in order to communicate our standpoint on ethics.

### Human Rights policy: commitments

The Human Rights policy is the company's surveillance approach in the Human Rights area, which formalizes the commitments of the ENGIE Group and identifies and manages non-compliance risks in this area for all our activities. At ENGIE Energía Perú, we respect the commitments undertaken in connection with Human Rights, and seek that these are observed by our counterparties. One of the four ethical principles is "respect others", and this can be defined as respect for people's rights, their dignity and their differences, as well as respect for cultures. Respecting the Human Rights of rural populations and communities in the vicinity of our operating premises is paramount for peaceful and long-lasting coexistence and neighborliness. Our commitment to ethics and compliance with applicable laws is consistent with our good corporate governance and is structured on our ethical principles, achieving compliance with assistance, training and control mechanisms. We also incorporate the obligation of compliance with ethical and anti-corruption principles, as well as the respect of Human Rights in the agreements with our suppliers through an Ethics Clause, as well as Environment and Social Responsibility Clause. In addition, we comply with following the Universal Declaration of Human Rights. Every year, we assess compliance with our Human Rights policy in our operations, analyzing

the impact on people and the environment in the vicinity. Moreover, during the execution of our projects, our policy is applied evaluating the projects from a Human Rights perspective.

### Anti-corruption: regulatory compliance

Our policy on ethical issues is to act, everywhere and in all circumstances, in accordance with our fundamental ethical principles. Compliance with this commitment, as well as the "zero tolerance" principle in connection with fraud and corruption, is strictly followed up by the Ethics Officer and the Executive Committee of ENGIE Energía Perú, and its Board of Directors.

### Framework

Our system is based on the policies, procedures and a strict application and control process:

- **Ethics Charter** that describes our ethical principles.
- **Practical guide to ethics** that details and illustrates the practical application of our ethical commitments
- **Anti-Corruption Policy**, which reiterates our position of zero tolerance towards fraud and corruption, in addition to establishing the controls and tools we have.
- **Crime Prevention Model Manual**, aligned with local standards and the ENGIE Group prevention model.
- **Local complaints channel** (Resguarda) and the ENGIE Group complaints channel.
- **Reports of ethical incidents**, which entail the corresponding investigations, either through our

→ **Ethics Officer and/or the Ethics Committee.**

Risk assessment for fraud and corruption, asset laundering and terrorism financing.

→ **Training and awareness sessions for all employees.** The training is structured considering the sensitive and specific roles and responsibilities of employees, and emphasizing personnel most exposed to corruption risks.

## Training

During 2023 we train our staff regarding the scope and content of our ethical principles: zero tolerance in matters of fraud and corruption, prevention of conflicts of interest, gifts and hospitality, crime prevention model and commitment to respecting human rights, among other related topics. Likewise, the second edition of Ethics Week was held, in which various activities were carried out for five days, such as training for all workers and others for personnel most exposed to risks of corruption. In addition, workshops, talks, discussions, awareness videos, among others, were held. All with the aim of reinforcing, in our staff, the ethical culture that we have in the company.

On the other hand, in 2023 we launched our webinar for suppliers. Our ethical culture, which was developed in four sessions and in which we reinforced our position of zero tolerance against fraud and corruption, and respect for human rights. In total, nearly 160 people representing our suppliers participated in this webinar.

Likewise, the National Suppliers Workshop was held, in which a space was reserved to present our ethical culture. In this activity, in which 50 people participated in person and 270 virtually, we reiterated our ethical principles and reinforced concepts linked to respect for human rights, prevention of conflicts of interest, complaints channel, as well as our Model of Crime Prevention

As in previous years, these meetings seek to highlight the obligation of suppliers to comply with ethical principles and ENGIE Energía Perú's rejection of any practice contrary to said principles and applicable laws.

## Communication channels

ENGIE Energía Perú has an anonymous whistleblowing channel, RESGUARDA, which is managed by an external supplier. This system is available to all employees and external stakeholders. The alert may be started by electronic mail, a toll-free phone call or a virtual questionnaire on the website.

This alert is received by the service supplier that conveys the report anonymously to the company. As a company from the ENGIE Group, we also have at our disposal the Group's whistleblowing channel, which -like the Resguarda channel- guarantees confidentiality and anonymity. Moreover, the Grievance and Claims Procedure (PQR), the concerns of communities and villages at each of the operating sites were addressed. All these channels are always mentioned during talks and training as a reminder.

## Acknowledgements

In 2023 we remained part of the 100 Companies with the Best Reputation in Peru, according to the Merco Companies and Leaders Ranking, as we ranked 51st and, for the sixth consecutive year, we led the Energy Sector category. In addition, we reached position 49 in the Merco Talento Ranking, which lists the best companies to attract and retain talent in Peru. Likewise, we are ranked 50th in the Merco ESG Responsibility Ranking, which measures companies with the best environmental, social, ethics and governance management.

In 2023, our Punta Lomitas WPP received the UPC Business Creativity award, in the Public Services category, as it stood out as one of the most innovative projects in the Peruvian

business sector. Additionally, the C.E. Punta Lomitas received the 2023 Sustainable Development award from the National Society of Mining, Petroleum and Energy (SNMPE), in the Environmental Management category, for its contribution as a source of renewable energy in the face of climate change.

Our initiative "Bus Educativo Verde" was among the winners of the Proactive 2023 Awards, in the Energy Sector category, for its commitment to environmental education for the energy transition of Peruvian children.

For the second time, the company obtained the Platinum Medal (highest rating) from the EcoVadis certification, with a score of 79/100, the leading player in the business sustainability rating in the world, through which the quality of the sustainability system is measured. Managing the sustainability of a company through the three pillars of management: policies, actions and results.

## 3.2 OUR GOVERNING BODIES

### BOARD OF DIRECTORS

#### ROSALINE CORINTHIEN (NOVEMBER 2022 - TO DATE)

**Principal Director. Female. Year of birth: 1973. France**

She is a Thermodynamics engineer. She started her career in 1999 as European technical director in Lubricantes Automotrices for Fuchs Petrolub, before joining CEED in Trinidad and Tobago (2003) as consultant for the development of a methanol experience center. In 2006, she joined ERC (Energy Regulation Commission) as analyst for GNL terminal access, before becoming (2009) in Project Manager in Alpiq France for the construction of a CCGT power plant in Bayet. Subsequently, in 2012 she joined the ENGIE Group, first as general director in Storengy China with headquarters in Beijing, and then as head of Gas Business for BU China. In 2015, Rosaline was appointed Director of Strategy, CSR and Innovation of GEM (Global Energy Management), before being appointed in 2018 deputy director of Human Resources for the Group in charge of Executives, Talents and Innovation of Human Resources. In 2019, she was appointed executive director in France Renewables BU, and in October 2022 general manager in ENGIE Energía Chile, Country Manager Chile of the ENGIE Group and Managing Director Thermal South America of the ENGIE Group.



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#### FRANK JEAN ALAIN DEMAILLE (JUNE 2019 - DECEMBER 2023)

**Principal Director. Male. Year of birth: 1976 France**

He held various positions within the ENGIE Group until the end of December 2023. Until mid-2021 he held the position of CEO of ENGIE Latin America and in February 2021 he was appointed executive vice president in charge of Transformation and Geographies at the ENGIE Group. Previously, he was president and CEO of ENGIE North America Inc. (which manages a range of energy businesses in the United States and Canada, including clean energy generation and cogeneration, energy retail sales and comprehensive services to help customers manage your facilities more efficiently); Previously, he served as executive vice president of ENGIE's international Energy Services Division (BES), responsible for the business development of BES and its activities in the Pacific, Asia and the Americas. Previously, he was CEO of CPCU, the Paris district heating system (4,200 MWth, 600 km network) and worked in Dubai and Santiago de Chile for the ENGIE Group's Energy International business. Before joining the company in 2009, he held various positions in the French Ministry of Finance and as an advisor to the French Prime Minister. Frank graduated as an engineer from the Ecole Polytechnique and the Corps des Mines in France. He also has a master's degree in Finance and Statistics. Likewise, he served as director of ENGIE Perú S.A. and director of ENGIE Energía Chile S.A.





## **ANÍBAL JUAN PRIETO LARRAÍN (MARCH 2022 – TO DATE)**

**Principal Director. Male. Year of birth: 1976. Chile**

Prieto Larraín is an attorney, and studies Law at the Universidad de los Andes and holds an LLM and Certificate in Law and Business from the New York University. At present, he is the Legal Vice-President & Ethics Officer in the ENGIE Group for South America. Previously he served as legal manager, ethics officer and Crisis Manager in ENGIE Energía Chile S.A. for approximately 10 years. He also served as director in Inversiones Hornitos S.A. (subsidiary of EECL in partnership with the Antofagasta Minerals group) and alternate director in Transmisora del Norte Grande S.A. (affiliate of the ENGIE Group in partnership with CODELCO). Before joining the ENGIE Group, he was partner in law firm Prieto y Compañía, and worked for one year as international associate in law firm Simpson, Thacher & Bartlett LLP in New York city. Additionally, he is principal director in ENGIE Perú S.A., director in ENGIE Chile S.A. and director in ENGIE Austral S.A.



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## **DIEGO MATÍAS NIEBUHR (MARZO 2022 – ACTUALIDAD)**

**Principal Director. Male. Year of birth: 1983. Argentina**

He is a public accountant from Universidad Católica Argentina (2005) and a graduate in Business Administration from the same university (2008). Additionally, he studied in the PostGraduate Program in European Management, Neoma in France (2003); holds a post-degree in Finance, Universidad Católica Argentina (2010); and a diploma degree in Management Skills from Universidad Adolfo Ibáñez, Chile (2022). He also has more than fifteen years of experience in Audits, Management Control and Finance. Since 2021 he serves as Finance Business Partner Thermal Americas in the ENGIE Group.

Previously he served as Head Finance Planning and Analysis for LATAM in the ENGIE Group, and as Finance Manager in ENGIE Chile and Business Controller in ENGIE Argentina. He started his career in EY Argentina (Audit and Finance).



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## **VERÓNICA ELIZABETH ZAVALA LOMBARDI (MARCH 2022 – TO DATE)**

**Principal Director. Female. Year of birth: 1967. Peru**

She's an attorney from the Pontificia Universidad Católica del Perú (PUCP) and holds a master's degree in Public Administration from the John F. Kennedy School of Government of Harvard University. She has served as representative of the Inter-American Development Bank (IADB) and also as manager for the Central America region, Dominican Republic, Haiti, Mexico and Panama. She also served as Strategic Planning manager and executive director for Peru. In the World Bank she was sector manager in the Public Sector area for Latin America. She was also Ministry of Transportation and Communications, Public Management secretary for the Presidency of the Council of Ministers, among other positions. At present, she is a member of the Board of Directors of Perú Sostenible, Hacedoras y Presente; and principal director of PROMED (Panama) and Calisto Cobre Resources (Canada).



## PASCAL GÉRARD JEAN- CLAUDE RENAUD (MARCH 2022 – TO DATE)

**Principal Director. Male. Year of birth: 1970. France**

He is an engineer in Nuclear and Energy Physics and holds a master's degree in corporate Risk & Insurance. He has more than 28 years of experience in Power Generation, filling positions as Plant Manager, Head of Thermal and Renewable Energy Production Fleet, and COO in Europe and the Middle East. He started out as nuclear engineer in China 25 years ago, and then earned experience as General Plant Manager in Mexico. In 2006, he joined the ENGIE Group in Italy for Gas Midstream Operations and became executive director for Energy Generation. He took part in the creation of BU Generation in Europe and joined the management team in 2014 as responsible for Energy Generation for France and Southern Europe. He then became Operations and Management director, leading the transformation of the European Maintenance Support. He moved to the Middle East five years ago, first in Saudi Arabia and then in Dubai as Operations and Maintenance director and COO for Thermal and Water Production. In July 2021, he served as Technical and Operating Support vice-president for Thermal & Supply AMEA, also covering Health, Safety and Environment for Thermal & Supply and Renewables GBUs. At present he serves as Renewables Managing Director in ENGIE LATAM with broad international experience. He also serves as director in ENGIE Energía Chile S.A.



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## DORA MARÍA AVENDAÑO ARANA (MARCH 2022 – TO DATE)

**Independent Principal Director. Female. Year of birth: 1962. Peru**

She is an attorney from the Pontificia Universidad Católica del Perú (PUCP). She has more than 20 years of experience in Corporate and Regulatory Law, with focus on the energy sector. Until 2018, she served as legal director for company Orazul Energy (former Duke Energy), with the responsibility for legal issues in Peru and Ecuador. Previously, she served as Head of the Legal Department for the Electricity Management in Osinergmin, and Head of the Legal Department in the National Society of Industries (SIN). She started her professional career as an associate attorney in law firm Jorge Avedaño V. She is listed as an arbitrator in the Center for Arbitration of the Chamber of Commerce of Lima, the Center of Analysis and Resolution of Conflicts of the Pontificia Universidad Católica del Perú and the American Chamber of Commerce (Amcham) and the Chamber of Commerce of Arequipa and the College of Engineers of Peru.



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## FRÉDÉRIC HALKIN (FEBRUARY 2024 – TO DATE)<sup>18</sup>

**Principal Director. Male. Year of birth: 1974. Belgium**

He is a business economist from the Solvay Brussels School of Economics and Management where he also obtained a master's degree in business. He has more than 19 years in the ENGIE Group. Since 2018, he served as CEO of Mirfa IWPP (which is the tenth facility in the Arab Emirates – Abu Dhabi built according to the IWPP public-private partnership model). In May 2023, he was designated FGBU SouthAm Vice President in charge of Asset Management, H2 BD & BESS Support, a position he holds to date. Before that, he was Chief Financial Officer of Mirfa IWPP and previously served as Chief Financial Officer of SMN Power (Barka II / Rusail) where he directed the Finance, HR and Administration areas of the largest IWPP in the Sultanate of Oman.



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<sup>18</sup> Designated as Director of the Company at the Board Meeting held on February 2, 2024.

ALTERNATE DIRECTORS	PERIOD
<b>Hendrik De Buyserie</b>	march 2022 - april 2023
<b>El Mehdi Ben Maalla</b>	april 2023 - march 2025
<b>Luciano Damián Guffanti</b>	march 2022 - march 2025
<b>Daniel Javier Cámac Gutiérrez</b>	march 2022 - march 2025
<b>César Alberto Cornejo Gómez</b>	marzo march 2022 - march 2025
<b>Gilda María Luisa Spallarossa Lecca</b>	march 2022 - march 2025

## EXECUTIVE COMMITTEE

Our Executive Committee reflects the commitment of our company to work towards gender equality in the energy sector. In 2022, 67% of our vice-presidents were male and 33% were female. It should also be noted that there is no relationship of consanguinity or affinity among the directors and executive officers in ENGIE Energía Perú.

## EL MEHDI BEN MAALLA

### CEO (april 2023 - to date)

He has 12 years of experience in the ENGIE Group. He comes from the R&D area in Toyota, and started his career in ENGIE in the Trading & Portfolio Management (GEM) area in the European region, where he filled several roles in gas and electricity asset optimization.

In 2015, he joined the corporate team of Acquisitions, Investments and Financial Advisory (AIFA), where he took part in investment projects in different geographies before joining the AIFA team in Dubai in 2017, leading important financial transactions, and supporting the development of several energy and water projects in the Middle East region.

In 2020, he filled the position of Head of AIFA in Brazil, also as member of the Executive Committee in the country, where he led several successful financial transactions in Renewables, Networks and Energy Solutions. He is a civil engineer from the Université Libre de Bruxelles, with an engineering degree from the Institut Français du Pétrole School (ENSPM) and a master's degree in Finance from the Solvay Business School. Ben Maalla is Country Manager in the ENGIE Group in Peru and Colombia.





## **HENDRIK DE BUYSERIE**

**CEOI (february 2018 – april 2023)**

He serves as CEO of ENGIE Energía Perú since February 2018. He has more than 20 years of experience in the energy sector and has filled several executive positions for ENGIE in Europe, North America and Latin America. He was director of Human Resources for the ENGIE Group in Paris, and previously, he served as executive Human Resources Vice President for the previous energy business unit of ENGIE in London. He also served as Human Resources Vice President and Director in ENGIE Latin America and ENGIE North America, respectively, between 2006 and 2011. He graduated in Human Resources Management from the Sociale Hogeschool KVMW Gent in Belgium. He holds a master's degree in Industrial and Organizational Psychology from the Ghent University (Belgium) and has attended the General Management program in CEDEP (European Center for Permanent Education, for its acronym in French) in the INSEAD school of business, in France. He is also principal director of ENGIE Perú S.A.



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## **DANIEL CÁMAC**

**Commercial, Regulation and Corporate Affairs Vice-President (august 2016 – to date)**

He served as Commercial and Regulation Manager in ENGIE Energía Perú from May 2012, and since August 2016 he is serving as Commercial, Regulation and Corporate Affairs Vice-President (former commercial vice-president). He previously served as Vice-Minister of Energy in the Peruvian Ministry of Energy and Mines. He worked in the Peruvian Regulatory Organization as Manager of the Power Generation and Transmission Regulation Division. He is a graduate of electrical engineering from the Universidad Nacional del Centro del Perú. He holds a Master of Science in Engineering from the Pontificia Universidad Católica de Chile and holds a master's degree in Business Administration from the ESAN University of Peru. He is a Doctor of Science from the Pontificia Universidad Católica de Rio de Janeiro (Brazil), and has attended other specialization studies in Argentina, Brazil and United States. Daniel is also the Deputy Country Manager of the ENGIE Group in Peru, and alternate director of ENGIE Perú S.A. and until January 5, 2022 he was Director of ENGIE Services Perú S.A. and CAM Servicios del Perú S.A.



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## **LUCIANO GUFFANTI**

**Vice-President of Finance (august 2022 – to date)**

He serves as Vice-President of Finance (CFO) in ENGIE Energía Perú since August 2022. He is an accountant and served as Asset Manager in ENGIE Middle East until 2022. He served as Finance Manager in Operation and Maintenance in ENGIE Middle East until 2019, and Controller in ENGIE Energía Chile until 2015.



## CÉSAR CORNEJO

### Vice-President of Operations and Projects (july 2021 - to date)

He served as Development Manager in ENGIE Energía Perú from January 2013, and since July 2021 he is serving as VicePresident of Operations and Projects. With 20 years of experience in the energy sector, he has filled different executive positions in the ENGIE Group since 2001, such as Project Manager of thermal and hydropower plants, Development Manager of power generation projects (natural gas and renewable energies), power grids and energy solutions, as well as Development Manager of wind businesses for Latin America. César is a mechanical and electrical engineer from the Universidad Nacional de Ingeniería (UNI). He holds a MBA from ESAN School of Business and a master's degree in Engineering Sciences and Management from the Massachusetts Institute of Technology (MIT) of the United States.



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## GILDA SPALLAROSSA

### Legal Vice-President (august 2016 - to date)

She joined ENGIE Energía Perú in August 2012 as acting legal manager, and took over the Legal Management in April 2015, and since August 2016, she serves as the Legal Vice-President. She was partner in law firm Miranda & Amado Abogados, in the lines of business of Gas & Electricity, infrastructure projects, Administrative Law, Civil Law and Litigation. She graduated in Law from the Universidad Católica del Perú and holds a master's degree in Public Law IDEC from the Universidad Pompeu Fabra in Barcelona. Gilda is also an alternate director in ENGIE Perú S.A.



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## MARÍA ELENA CÓRDOVA

### Vice-President of Human Resources (november 2018 - april 2023)

She is the Vice-President of Human Resources in ENGIE Energía Perú, after serving as Human Resources Manager in the company from 2004. She has more than 20 years of experience in managing human talent and compensations in renown companies and consulting firms in Peru. She has been a member of the Peruvian Human Resources Association (APERHU). She holds a bachelor's degree in Psychology from the Universidad Femenina del Sagrado Corazón and has specialization studies on human resources from the Universidad del Pacífico and Universidad ESAN.





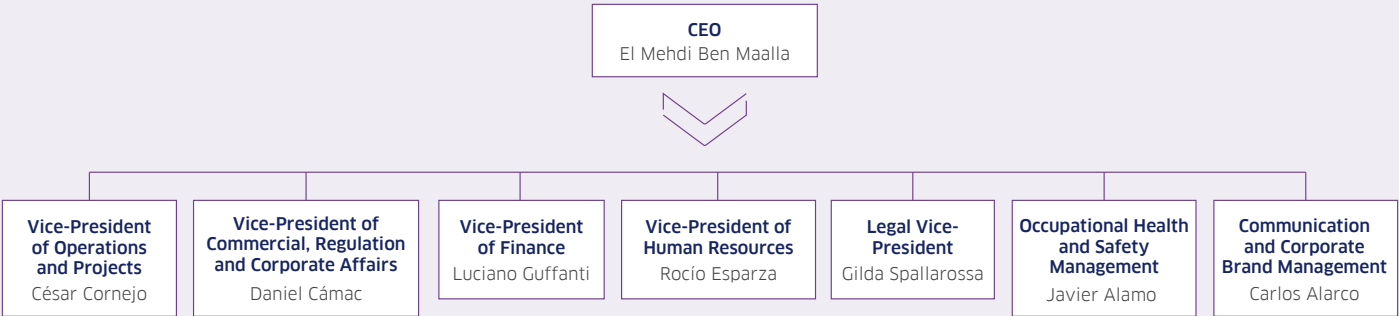
ROCÍO ESPARZA

Vice-President of Human Resources (april 2023 - to date)

She has been Vice President of Human Resources at ENGIE Energía Perú since April 2023, after being the company's Talent Manager since 2022. Previously, she was Director of Human Resources and Compliance Officer at Veolia Servicios Perú. He has more than 18 years of experience working in Human Resources teams, contributing to the development of talent and organizational culture in renowned banking and mass consumption companies and consulting companies. She is a Business Administrator from the Universidad de Lima and has a specialization in People Management at the Universidad Peruana de Ciencias Aplicadas (UPC).



ORGANIZATION CHART AS OF DECEMBER 31, 2023



\*The organization chart shows the first-line executive officers who report to the company's General Management.





## COMMITTEES

### Audit committee

It assists the Board of Directors in the supervision of financial reports, internal control, risk management and assessment, compliance with applicable laws and regulations, as well as verification of transparency and integrity of the financial information disclosed by the company.

#### Members:

- Verónica Zavala. Chairman and independent director (since May 2022).
- Diego Matías Niebuhr (since May del 2022).
- Rosaline Corinthien (since November 2022).

### Committee for review of transactions between related companies

It reviews and evaluates the transactions to be made between ENGIE Energía Perú and companies related to it and/or the ENGIE Group, analyzing the terms of such transactions and putting forward recommendations to the Board.

#### Members:

- Dora Avendaño. Chairman and independent director (since May 2022).
- Pascal Renauld (since May 2022)
- Aníbal Prieto (since May 2022).

The total amount of remuneration of the Board members and management staff accounts for approximately 0.275% of the gross income in the year.

## 3.3 SHARE CAPITAL

As of December 31, 2023, the share capital of ENGIE Energía Perú adds up to PEN S/ 601'370,011.00, of subscribed and fully paid-in capital. This is the result of a capital increase approved by the General Shareholders' Meeting held on March 18, 2014

### Shareholding structure and composition

The following tables show the share of the shareholders of ENGIE Energía Perú and the shareholding composition as of December 31, 2023, respectively.

### SHAREHOLDING STRUCTURE

SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE (%)	NATIONALITY	ECONOMIC GROUP
International Power S.A.	371,478,629	61.77	Belga	ENGIE
AFP Prima – Fondo 2	45,445,627	7.56	Peruana	Grupo Romero
AFP Integra – Fondo 2	44,798,967	7.46	Peruana	SURA
AFP Profuturo – PR Fondo 2	25,216,881	4.19	Peruana	Grupo Scotiabank
Other	114,380,907	19.02	Varias	
<b>TOTAL</b>	<b>601'370,011</b>	<b>100.00</b>		

### SHAREHOLDING COMPOSITION: VOTING SHARES

SHAREHOLDING	NUMBER OF SHAREHOLDERS	PERCENTAGE (%)
Less than 1%	753	4.19
Between 1% and 5%	7	19.02
Between 5% and 10%	2	15.01
More than 10%	1	61.77
<b>Total</b>	<b>763</b>	<b>100.00</b>



## LEGAL, ADMINISTRATIVE OR ARBITRATION PROCEEDINGS

ENGIE Energía Perú is not a party in any legal, administrative or arbitration proceeding that may entail an economic contingency, which may affect in a significant and adverse manner the financial results and position of the Company.

## RELATION WITH THE GOVERNMENT

As a company from the electrical sector, the activities of ENGIE Energía Perú are mainly regulated by the following entities: (i) the Ministry of Energy and Mines (MINEM), the governing entity of the energy policy; (ii) the Supervisory Agency of Investment in Energy and Mining (Osinerghmin), the entity that regulates, supervises and oversees the sector; (iii) the Agency for Environmental Assessment and Enforcement (OEFA), the governing entity of the Environmental Assessment and Enforcement National System; and (iv) the Committee for Economic Operation of the National Interconnected System (COES), the entity responsible for coordinating the short-, medium- and long-term operation of the Legal, administrative or arbitration proceedings ENGIE Energía Perú is not a party in any legal, administrative or arbitration proceeding that may entail an economic contingency, which may affect in a significant and adverse manner the financial results and position of the Company. Relation with the Government National Interconnected Electrical System (SEIN); (v) the National Institute for the Defense of Free Competition and the Protection of Intellectual Property (Indecopi), responsible for resolving the proceedings for

infringements to the free competition and unfair competition, as well as passing decisions on the requests for authorization of concentration operations in the electrical sector, and (vi) the National Superintendency of Labor Inspection (Sunafil), specialized technical entity that supervises and oversees the social labor and occupational health and safety regulations; and (vii) the Congress of the Republic, in charge of performing legislative duties and political control.

ENGIE Energía Perú complies with the payment of mandatory contributions to the entities in the sector, such as MINEM, OSINERGMIN and OEFA, through the payment of the contribution, which according to the Electrical Concession Law (LCE) and Regulation thereof (RLCE), cannot exceed 1% of its annual sales. Similarly, we provide MINEM and OSINERGMIN with regular statistical information on the production and prices, as well as economic and financial information. In addition, considering that ENGIE Energía Perú has securities registered in the Stock Market Public Registry, the Company submits information to the Stock Market Superintendency (SMV) pursuant to applicable regulations.









Ch. 4

# PEOPLE

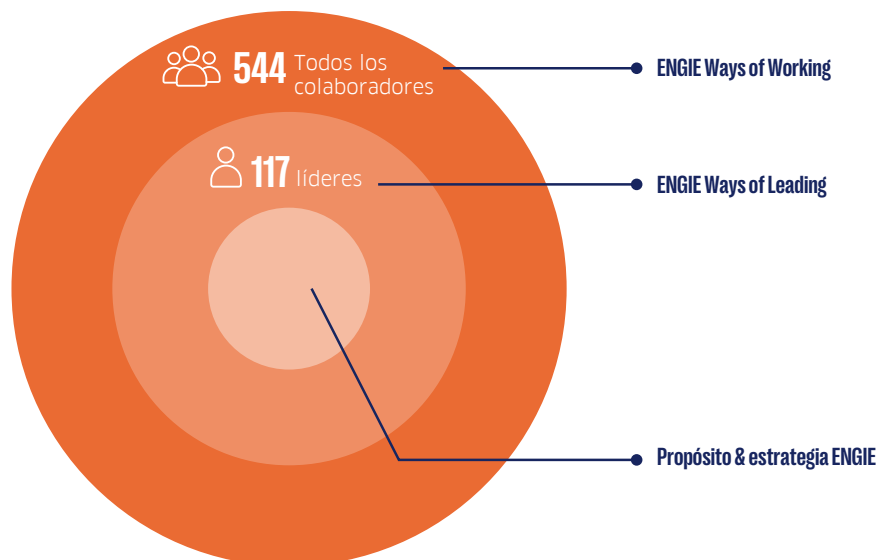
ACTING WITH OUR  
STAKEHOLDERS TO  
ACHIEVE OUR  
PURPOSE



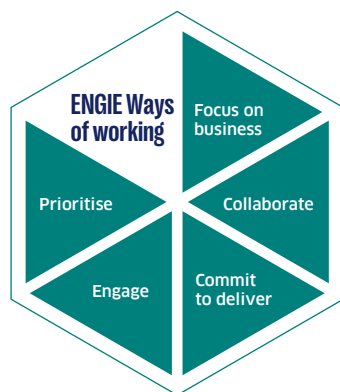
# 4.1 OUR TALENT

## 4.1.1. WORK AND LEADERSHIP CULTURE

At ENGIE Energía Perú we promote global performance by enhancing collective talent with a business approach that reflects our priorities. We work under five key principles that define our work culture and five behaviors that define our leadership model.



### WAYS OF WORKING (EWOW)



- **Focus on business.** We focus on what truly creates value for the company and the Group.
- **Collaborate.** We leverage our matrix organization beyond the chain of command.
- **Commit to deliver.** We are responsible, focusing especially on the fulfillment of our obligations.
- **Engage.** We train our teams..
- **Prioritise.** We establish a clear framework.

### WAYS OF LEADING (EWOL)



- **Safety and integrity.** We comply with high levels of people's health and safety by guaranteeing assets to protect our (cyber)security, integrity and reputation, and implement a zero-tolerance culture to guarantee our "license to operate".
- **One ENGIE.** We implement and execute ENGIE's strategy, through EWOW, taking into consideration the creation of value for the company and its clients, and taking advantage of the diversity of our teams.
- **Accountability.** We provide clarity about our objectives and responsibilities towards teams and stakeholders. We empower people and teams to succeed, and lead dynamic and honest conversations.
- **Trust.** We do what we say and we say what we do. We lead and inspire by example to our teams, stakeholders and clients by communicating and acting with transparency.
- **Care.** We foster a culture of mutual interest, respect and care among teams. We reinforce wellbeing in the workplace, and practice a constructive culture of feedback and development.



With the aim of strengthening our culture, during 2023 we have carried out various activities, such as the following:

## DEPLOYMENT EWOL & EWOW

At the beginning of 2023, we carried out a communications campaign to reinforce the EWOL principles of our culture, with the participation of our vice presidents as ambassadors. This campaign was aimed at the entire company. Likewise, we carried out an activation in the corporate office to reinforce our work principles.

**ENGIE Ways of Leading:**  
**APRENDEMOS UN NUEVO MODELO DE LIDERAZGO PARA APOYAR NUESTRA ESTRATEGIA.**

**One ENGIE**, por Mehdi Ben Maaila

En la búsqueda de un liderazgo eficiente y sostenible, unimos nuestras ideas sobre lo que creemos que es y debe ser un buen líder en ENGIE. Por ello, nos enfocamos en las prioridades adaptadas a las necesidades de la empresa, reforzamos el compromiso de nuestros empleados y definimos expectativas claras sobre el comportamiento gerencial. De estas definiciones, surgieron nuestros ENGIE Ways of Leading. Mehdi nos presenta ONE ENGIE.



One ENGIE explicado por Mehdi

“Implementar la estrategia del Grupo ENGIE, basado en las formas de trabajo (**ENGIE Ways of Working**), para crear valor para la empresa y nuestros clientes, aprovechando la diversidad de nuestros equipos.”

Mehdi

**ENGIE Ways of Leading:**  
**ACCOUNTABILITY COMO MANERA DE ACTUAR Y LIDERAR EN ENGIE.**

**ACCOUNTABILITY**, por Daniel Cámac

Nuestro liderazgo está marcado por asumir la responsabilidad en las tareas frente a todos nuestros stakeholders.



ACCOUNTABILITY desde la óptica de Daniel Cámac

“Nos capacitamos para alcanzar el éxito en nuestros labores a través de la autonomía y proponer ideas innovadoras para hacer mejor las cosas.”

Daniel Cámac

**ENGIE Ways of Leading:**  
**TRUST COMO MODELO PARA SER CONSEQUENTES.**

**TRUST**, por Gilda Spallaroisa

Ser consecuente es hacer lo que decimos y decir lo que hacemos sin temores creando un clima de confianza entre las personas.



TRUST definido por Gilda Spallaroisa

“Hacemos lo que decimos y decimos lo que hacemos **esforzándonos por ser ejemplo** para nuestros equipos.”

Gilda Spallaroisa

**ENGIE Ways of Leading:**  
**SAFETY DESDE LA ÓPTICA DEL LIDERAZGO EN ENGIE.**

**SAFETY**, por César Cornejo

En ENGIE tenemos claro que una de las mayores prioridades es la seguridad de todos nosotros, nuestra salud mental y la seguridad de nuestros activos, incluyendo la ciberseguridad.



SAFETY explicado por César Cornejo


“Nuestra visión de la seguridad integra la salud y seguridad física, y psicológica, además del cuidado de activos y la ciberseguridad.”

César Cornejo

**ENGIE Ways of Leading:**  
**EL SIGNIFICADO DE CARE PARA ENGIE.**

**CARE**, por Rocío Esparza

Tenemos una cultura de respeto por todos en ENGIE y buscamos estar cerca de cada uno de los miembros de nuestros equipos.



CARE comprendido por Rocío Esparza

“Buscamos un equilibrio adecuado entre los deseos de los miembros de nuestros equipos y las necesidades de la empresa.”

Rocío Esparza

**ENGIE Ways of Leading:**  
**INTEGRITY EN CADA UNA DE NUESTRAS ACCIONES.**

**INTEGRITY**, por Luciano Guffanti

La ética es uno de los pilares fundamentales que nos permiten asegurar nuestra licencia para operar. Por ello es imprescindible en la forma de liderar en ENGIE.



INTEGRITY explicado por Luciano Guffanti

“Manejamos una cultura de libertad para expresarnos frente a situaciones que consideremos incorrectas.”

Luciano Guffanti

## SPORT DAY WOW

Sport Day WOW, an event in which we meet to share a morning of integration, sport and good health, with disciplines such as soccer, tennis, volleyball, functional training, athletics, yoga, relays, cycling, among others. Through this event, in which we strengthen our ties as a team, we highlight the importance of taking care of both our physical and mental health. We have the participation of 55% of the staff at the Lima headquarters.



## DIRECT CONTACT MEETINGS

The Direct Contact meetings at ENGIE Energía Perú constitute informative events led by the vice presidents or management, aimed at all the company's workers, whose purpose is to present the achievements of the current year and the objectives for the next. In December 2023 we held two of these meetings. One of them was aimed at the group of workers from Lima, Chilca, Yuncan, Quitaracsa and Punta Lomitas, while the other focused on the employees of the Ilo headquarters. Approximately 480 workers participated in total.

workers. Through this activity we reflect on the meaning of each EWOL behavior, and on what we have done and what we have not done, as well as what we do well and what we can improve.

## EWOL LEADERSHIP WORKSHOP

We trained 88 of our operations leaders in our ENGIE Ways of Leading leadership model, with the aim of reinforcing their knowledge and providing them with tools that allow them to lead their teams based on it.

## WORKSHOPS EWOL

We address the behaviors of our EWOL leadership model (ENGIE Ways of Leading), with the EWOL workshops that we carry out with the managers of each area, and we achieved the participation of more than 188



## 4.1.2. CULTURE OF DIVERSITY, EQUITY AND INCLUSION

Our diversity, equity and inclusion policy at ENGIE Energía Perú integrates the guidelines of the ENGIE Group, which aim to facilitate diversity in our work teams and promote an equitable and inclusive work environment, where we all feel welcomed and respected, and Let us value our individual differences, ensuring equal opportunities for all.

We are committed to responsible growth based on the highest ethical values, dedication to the community and society, as well as to our clients, suppliers and business partners. In line with these commitments, diversity, equity and inclusion in our work teams are crucial aspects, reflected comprehensively in the Ethical Principle of Respect for others, included in our Ethical Charter, which guides the actions of all our workers as well as the relationship with our interest groups.

We recognize that diversity, equity and inclusion provide innovative perspectives and approaches that enrich our teamwork. This commitment reaffirms our belief that diversity is not only ethically essential, but also a catalyst for sustainable success in all aspects of our company.

Proof of this commitment is that in 2023 we have reached 22% of women in the workforce (+5% compared to 2022) and 19% in leadership positions.

### PILLARS OF DIVERSITY, EQUITY AND INCLUSION (DE&I)

At ENGIE Energía Perú we have five pillars of DE&I, which are the center of the different initiatives that we have been implementing.

- **Gender equality.** Achieving gender parity throughout the company is a key objective for ENGIE Energía Perú. To increase the number of women working in the company, we are putting action plans in place to support them throughout their careers and bring more women into technical positions. By 2030, ENGIE Energía Perú has set the goal of achieving at least 40% of women in leadership positions.
- **Origins.** At ENGIE Energía Perú we enhance diversity and value the richness of each person's origins. This refers to culture, ethnicity,

nationality, religion, social origins and education.

- **LGBTQ+.** We promote the inclusion of LGBTQ+ people so that they feel included and respected, regardless of their sexual orientation or gender identity.
- **Abilities.** We adopt arrangements and working conditions to accommodate and include people with disabilities.
- **Generations.** We harness the talent and energy of people across generations by employing young and old, as well as sharing skills and experience between generations.







### DIVERSITY AND INCLUSION NETWORK

This year we formed the Diversity and Inclusion Network, which currently has 21 members, 3 sponsors and 2 coordinators. The main function of the network is to raise awareness among employees through workshops, talks, discussions and various activities on the value of diversity in work teams and the promotion of gender equality.

In accordance with our 5 pillars of DE&I, during 2023 we have carried out the following actions:

PILLAR	ACTION	INDICATORS
Transversal	Participatory workshop Unlearning stereotypes and identifying unconscious biases	300 attendees
	Showroom DE&I-Innovability Days	135 attendees
LGBTQ+	Inclusive health insurance launched	100% employees
Disability/abilities	Activation for the World Day of Persons with Disabilities	Lima Headquarters
Genre	Warmi Program	13 engineers y 17 mentors
	Conversation with our directors	190 attendees
	Workshop on inclusive leadership	17 mentors
	Guided tours by women for students to see the work at the plants in action.	18 students

**Note:** Activities related to the Origins and Generations pillars are foreseen in 2024.

## DIVERSITY, EQUITY AND INCLUSION CENSUS

We conducted the first diversity, equity and inclusion census, whose main objective was to identify our diversity and deepen our understanding of the role it plays in our workforce, so that we can develop assertive and targeted strategies to make our work environment more diverse, equitable and inclusive.

At ENGIE Energía Perú, we achieved the participation of 94% of our workers in the census. Likewise, we have deployed the results obtained in order to implement actions that allow us to continue promoting diversity, equity and inclusion in the company.

## ENGIE SCHOLARSHIP PROGRAM: +WOMEN IN ENERGY

Through the ENGIE Scholarships Program: +Women in Energy, we seek to promote the participation and inclusion of young women in the energy sector by financing university studies, technical and certified training courses related to STEM careers (science, technology, engineering and mathematics).

It is a comprehensive program with three stages:

- **Awareness-raising in schools through vocational talks:** during 2023 we have offered vocational content to 443 students through 4 vocational education talks, to whom we have provided valuable guidance on gender equity and STEM careers, which may be useful for their future educational and professional careers.
- **Scholarships and mentoring:** in alliance with the Universidad Nacional del Centro del Perú and Senati, 82 students have benefited from the program to date, 32 of whom joined this year. In addition, we have 8 engineering mentors from ENGIE Energía Perú, and we accompany our scholarship holders in their professional development.

Also this year, we conducted a virtual workshop on employability and labor market insertion, which was attended by all the scholarship recipients, and shared with them key tools for developing an employable and competitive profile in the labor market.

- **Job placement:** this year a trainee participated in the selection process of the Young Talent program of ENGIE Energía Perú and became an intern at our plant located in Ilo.

At this stage we have strengthened the program by incorporating two new partners: Enaex and Siemens Energy, which have opened their selection processes for our interns.

## WARMI PROGRAM

The Warmi program aims to train and promote the development of young female university engineers in the energy sector and in our operations, so that they can become our leaders of the future.

This program is a commitment to female talent that allows us to make our commitment to diversity, equity and inclusion tangible.

En el 2023 incorporamos a nuestra compañía, como parte del programa Warmi, 13 ingenieras de Operaciones Junior.

Ellas estarán en entrenamiento durante tres años, lapso en el que además tendrán mentores, capacitaciones, rotaciones y feedback constante. Esto permitirá que conozcan el negocio, desarrollen sus habilidades y puedan gestionar sus carreras en nuestra compañía.

## WOMEN IN LEADERSHIP PROGRAM

Through the regional Diversity, Equity and Inclusion team, we organized the second edition of the Women in Leadership program, which seeks to develop the leadership of female talent. The participants, during nine months, received talks, training and

coaching sessions to influence and generate an inclusive leadership culture, get to know themselves and enhance their leadership as a value proposition. To date, five female employees of ENGIE Energía Perú have been integrated into the program.

## SALARY EQUITY AND GENDER EQUALITY

At ENGIE Energía Perú, we strictly adhere to the Peruvian salary equity law, which aims to ensure objectivity and transparency in the management of remuneration in the company.

On average, a woman's remuneration at ENGIE Energía Perú is 4.81% lower than that of a man. This differential is due to the fact that a greater number of men were promoted compared to the number of women promoted, which has led to an increase in the average salary of men. However, in leadership positions, women's average salaries are 4.28% higher than men's. This difference is attributed to the fact that women's salaries are higher than those of men. This difference is attributed to the fact that women predominantly occupy positions of greater responsibility and complexity, despite constituting a numerically smaller group compared to men in the company.

At ENGIE Energía Perú, our goal for 2030 is to maintain the gender wage gap at less than 2%, and to this end we are implementing several actions, including programs such as Warmi and ENGIE Scholarships: +Women in energy, which will contribute to balance the salary equity and gender equality indicator.

## 4.2 OUR EMPLOYEES

At ENGIE Energía Perú we are proud of our human talent, which is the basis and the key to the company.

Thanks to this, we achieve our objectives oriented to our customers and other stakeholders.

### DISTRIBUTION OF MEN AND WOMEN PER POSITION

POSITION	TOTAL	MEN	%	WOMEN	%
CEO	1	1	100	-	0
Vice-presidents	5	3	60	2	40
Managers	43	36	84	7	16
Chiefs	53	45	85	8	15
Supervisor/coordinator/responsible	102	85	83	17	17
Specialists/analysts	126	77	61	49	39
Technical	180	177	98	3	2
Assistants	35	13	37	22	63
Professional interns	23	10	43	13	57
Pre-professional interns	19	8	42	11	58
<b>Total</b>	<b>587</b>	<b>455</b>	<b>78</b>	<b>132</b>	<b>22</b>



## DIVISION OF EMPLOYEES IN THE COMPANY

### OFFICERS AND EMPLOYEES PER POSITION

	TOTAL	MEN	%	WOMEN	%
<b>Officers</b> (Executive Committee and managers)					
Permanents	47	38	81	9	19
Temporary	1	1	100	-	0
<b>Employees</b>					
Permanents	415	347	84	68	16
Temporary	81	50	62	31	38
<b>Sub total</b>	<b>544</b>	<b>436</b>	<b>80</b>	<b>108</b>	<b>20</b>
(interns)	42	18	43	24	57
<b>Total</b>	<b>586</b>	<b>454</b>	<b>78</b>	<b>132</b>	<b>22</b>

### EMPLOYEES PER NATIONALITY

(interns not included)

NATIONALITY	NUMBER	%
Argentinean	1	0.18
Belgium	1	0.18
Brazilian	2	0.37
Chilean	1	0.18
French	1	0.18
Peruvian	538	98.91
<b>Total</b>	<b>544</b>	

## STAFF PER TIME OF SERVICE

(interns not included)

STAFF	NUMBER	%
Less than 3 years	115	21
Between 3 and 6 years	46	8
Between 6 and 9 years	69	13
Between 9 and 12 years	82	15
Between 12 and 15 years	36	7
+ 15 years	196	36
<b>Total</b>	<b>544</b>	

## STAFF PER GENERATION

(interns not included)

GENERATION	NUMBER	%
<i>Baby boomers (1946-1964)</i>	42	7.71
Generation X (1965-1980)	249	45.87
Generation Y (1981-2000)	252	46.24
Generation Z (2001-2016)	1	0.18
<b>Total</b>	<b>544</b>	

## STAFF WITH DIFFERENT ABILITIES

STAFF	NUMBER	% OF TOTAL EMPLOYEES
Physical disability	4	0.74 %
Cognitive disability	0	0 %
<b>Total</b>	<b>4</b>	<b>0.74 %</b>

OFF-SITE STAFF TURNOVER

During 2023, 37 people rotated out of the company, representing 6.79% of the total workforce.

CONCEPT	TOTAL
Number of employees	37
total % of turnover	6.79

INTERNAL STAFF TURNOVER PER GENDER

During 2023, 106 employees rotated within the company in different positions through the internal promotion mechanism.

	NUMBER	% OF TOTAL EMPLOYEES
Men	91	17
Women	15	3
Total	106	19



## 4.3 WELLNESS AND DEVELOPMENT

### 4.3.1 WE MEASURE THE WORK ENVIRONMENT AND PROMOTE EMPLOYEE SATISFACTION

#### ENGIE&ME<sup>19</sup> SURVEY

ENGIE&ME, the ENGIE Group's global work climate survey represents a fundamental pillar to actively improve our work environment and promote the development of our employees. In 2023, 97% of our employees responded to the survey and shared their views on ENGIE Energía Perú as a company; our culture and sustainable commitment; business areas and units; work and management; Diversity, Equity & Inclusion; and ENGIE Ways of Leading principles & ENGIE Ways of Working behaviors.

As part of our measurements, we have achieved, at ENGIE Energía Perú, a successful 94% in the sustainable engagement indicator, which measures how the company provides internal support, fosters commitment, provides resources and tools to workers, and, at the same time, creates an environment that promotes physical, emotional and social well-being.

The result obtained during 2023 demonstrates ENGIE Energía Perú's continuous commitment to creating a favorable work environment, which has increased compared to the last three years: 2022 and 2021, during which we obtained a result of 93%; and 2020, when we reached 92%.



#### MERCO TALENT RANKING

For the sixth consecutive year, ENGIE Energía Perú has consolidated its position in the general ranking of companies for attracting and retaining talent. This year we have climbed five positions, which places us in 51st place in the Top 100 Best Companies, and in first place in the energy sector.

#### INTEGRAL WELLNESS PROGRAM

At ENGIE Energía Perú we prioritize the integral wellbeing of our workers, ensuring both their physical and mental health. We concentrate our efforts on raising the quality of life and reducing work stress through the Integral Wellness program.

To this end, during 2023, we have carried out the following activities:

- We conducted 28 awareness and training workshops for personnel on appropriate use of time, self-esteem and self-care, alcohol and

tobacco prevention, healthy habits for emotional self-care, suicide prevention, stress prevention and management, emotional care, among others..

- Massage sessions one day every two months, so that workers can face their work with clarity and encouragement.
- We renovated the gyms installed at the Yuncan headquarters and at the camp located near our headquarters in Quitaracsa.
- We transformed the wellness room at our Lima headquarters into a space for recharging energy through sports activities.
- We provide psychological support to the staff in critical cases.

<sup>19</sup> The questionnaire is administered by the independent consulting firm Willis Towers Watson, which guarantees confidentiality and transparent processing of all employees

## 4.3.2 BENEFITS FOR EMPLOYEES

At ENGIE Energía Perú we offer benefits that seek to contribute not only to the professional development of our employees, but also to their quality of life, as we prioritize the balance that should exist between their work, personal and family life. In addition to the mandatory benefits in accordance with the law, we implement additional initiatives and strategies, both locally and in line with ENGIE Group practices.

### HEALTH AND INSURANCE

- **Health care insurance.** Our employees have medical insurance from a health insurance company (EPS, by its Spanish acronym) in the locations where the service exists. This insurance is covered 100% by ENGIE Energía Perú, and applies to employees and their direct family members (spouse and children).
- **Inclusive health insurance.** As of 2023, in the search for greater equality, we provide insurance for same-sex couples, with the same coverage conditions, co-payments and deductibles.
- **Attention with paramedics.** All our operations centers have nursing assistance to attend any emergency or urgency free of charge.
- **Oncology insurance.** This insurance is covered 100% by the network of clinics in which our employees are affiliated.
- **Private medical services.** For our workers and their immediate families at the Ilo plants, covered 100% by our company to safeguard their health and integrity.

leave and nine men employees took paternity leave.

- We provide special leave, granting additional days off in addition to those established by law, on certain occasions, such as marriage, birth, illness and death of family members.
- We provide financial assistance in the event of the death of an employee or an immediate family member.
- Involvement in children's activities. We grant special leave to mothers and fathers for activities related to their school-age children.
- Schooling allowance. We provide an annual amount to our employees, for each child, to support their schooling or higher education expenses..
- If emergency cases arise, such as health, accidents, losses, disasters or other similar cases, these are evaluated on an individual basis in order to provide financial or non-financial support alternatives to the employee, if necessary. We analyze these cases with ENGIE Energía Perú's Social Welfare area, and deal with them according to their magnitude and seriousness.

→ **Incentive for standout.** We provide this type of incentive to employees who work in operation centers or camps assigned outside their place of residence.

→ **Performance incentive.** This incentive is granted to employees, according to the results of the Annual Performance Evaluations and in accordance with the objectives achieved.

100% of the active employees as of 12/31/2023 who had a performance evaluation in 2022 received an incentive in 2023.

### HYBRID WORK FOR THE ADMINISTRATIVE HEADQUARTERS

During 2023, our administrative headquarters continues to promote a hybrid work system to flexibly combine remote work days with face-to-face work days. This flexibility is a reflection of our adaptability to changing work dynamics.

This mixed regime is based on mutual trust, as well as on the effort to maintain good communication and articulation between the teams. This modality facilitates greater autonomy and flexibility in time management, as well as the promotion of a collaborative environment, which optimizes productivity.

### EDUCATION AND FAMILY

- We provide special pregnancy and maternity protection through flexible working hours, remote work, and special leave for pregnant women and mothers with young children.
- All our employees are entitled to parental leave in accordance with current regulations (Law No. 26644 and Law No. 30807). In 2023, four women employees took maternity

### LABOR ACKNOWLEDGMENTS

- **Incentive for time of service.** On a monthly basis, we recognize time of service in ENGIE Energía Perú through massive internal communications. We also provide employees with a one-time financial incentive for every five years of permanence in the company, which recognizes their time of service.



#### 4.3.3 COLLECTIVE BARGAINING AGREEMENTS

At ENGIE Energía Perú we respect the freedom of association and unionization of our workers, always within a framework of dialogue and mutual respect, and in compliance with social and labor regulations. As of December 31, 2023, the company had 187 unionized workers in ENGIE's two unions (ENGIE Energía Perú Workers' Union and ENGIE Energía Perú Operations Workers' Union), representing 34.31% of our total workforce.

#### 4.3.4 PERFORMANCE MANAGEMENT

As we do every year, we conducted the Performance Evaluation, which allows us to self-assess and evaluate our performance in terms of objectives and results, as well as transversal behaviors associated with our ENGIE Ways of Working culture and ENGIE Ways of Leading leadership model. We have successfully completed the process, as we have ensured that 100% of our employees have their performance evaluation, and we are about to start the cycle again with the establishment of the 2024 objectives.

It is important to mention that we

conducted a feedback campaign called Catch Your Feedback, through which we shared tips on how to give and receive feedback to empower and motivate each other.

##### **SEZAME: NEW GLOBAL SOFTWARE FOR HUMAN RESOURCES MANAGEMENT**

In 2023, we have started the implementation of Sezame, our new global software for Human Resources management. This software aims to

automate and streamline HR processes, as well as to empower leaders to manage their teams and employees in general to self-manage their careers at ENGIE.

Currently, the Recruitment & Selection, Performance & Development, and Training modules have been implemented and our employees have been trained in their use. In 2024, the implementation of Sezame will be completed with the Compensation & Payroll modules.





### 4.3.5 DEVELOPMENT PROGRAM

#### BOOSTER PROGRAMS

The Booster programs are accelerators for the career development of our employees, as they allow us to identify the next career step, develop skills and acquire the necessary knowledge to do so. In addition to making our talents visible, it expands their network of contacts in ENGIE Energía Perú and allows them to access relevant education and training. Currently, we have 27 employees who are actively participating in these global programs.

## 4.4 TRAINING

At ENGIE Energía Perú we provide training to our employees, which allows them to complement their technical knowledge and develop soft skills, as well as manage languages and other necessary tools so that they can perform adequately and respond to new market demands.

In 2023, training topics focused on occupational health and safety, environment, compliance and ethics, renewable energies, mental health, leadership and management, among others.

### AVERAGE HOURS OF TRAINING PER PERSON AND AMOUNT OF INVESTMENT PER PERSON BY TOPIC

TOPICS	AVERAGE HOURS PER PERSON	AMOUNT OF INVESTMENT AVERAGE PER PERSON US\$	AMOUNT OF INVESTMENT TOTAL US\$
Occupational health and safety	15.8	44,535.00	50,822.00
Environment	3.4	1,669.00	3,291.00
Compliance and ethics	4.46	(free internal courses)	(free internal courses)
Cybersecurity	0.5	(free internal courses)	(free internal courses)
Sustainability	NA	(free internal courses)	(free internal courses)
Diversity and inclusion	3	4,281.00	4,281.00
Other courses	11.83	3,659.20	369,578.00
<b>Total</b>	<b>38.99</b>	<b>261,314.00</b>	<b>427,972.00</b>

### TRAINING HOURS PER GENDER

Gender	Number of hours	Average hours per person
Men	12,436.9	28.3
Women	1,752.2	15.7
<b>Total</b>	<b>14,189.1</b>	<b>44</b>

## TRAINING HOURS PER AGE

AGE	HOURS
Between 20 and 25	8.7
Between 26 and 30	15.2
Between 31 and 35	26.1
Between 36 and 40	24.3
Between 41 and 45	26.1
Between 46 and 50	25.2
Between 51 and 55	30.0
Between 56 and 60	28.4
+ 60	33.4
<b>Total</b>	<b>217.6</b>

## TRAINING HOURS PER GENERATION

GENERATION	HOURS
<i>Baby boomers (1946-1964)</i>	32.4
Generation X (1965-1980)	27.3
Generation Y (1981-2000)	24.8
Generation Z (2001-2016)	12.7
<b>Total</b>	<b>97.2</b>

## TRAINING HOURS PER POSITION

POSITION	TOTAL HOURS	%
CEO	8	0.74
Vice-Presidents	98.3	0.90
Managers	995.4	9.15
Chiefs	1518.4	13.96
Supervisor/coordinator/responsible	3,485.1	32.05
Specialists/analysts	378.1	3.45
Technical	3,844.5	35.36
Assistants	527.6	4.84
Interns	17.5	0.16
<b>Total</b>	<b>10,872.9</b>	<b>100</b>





During 2023 we managed to train 99% of our workers in occupational health and safety, environment, ethics and compliance, cybersecurity, diversity and inclusion, as well as leadership and management, soft skills and technical courses.

It is important to note that the remaining 1% that did not complete the training was due to coinciding with extended medical leave periods. Despite this minor setback, we are

proud of the solid progress we have made in training our staff.

To assess the value of the annual training plan, the quantitative and qualitative benefits and the return on investment were identified. The budget invested in training during 2023 was US\$ 261,314 and US\$ 166,658 in associated expenses.

## 4.5 TALENT ATTRACTION

### SELECTION PROCESS

At ENGIE Energía Perú, diversity is not only a principle, but also an essential part of our culture, and therefore we guarantee equal opportunities for all in our selection processes by promoting diversity, equity and inclusion at every stage of them. We value the richness of perspectives, regardless of gender, origin, disability, sexual orientation, nationality, ethnicity, religion, or any other situation protected by Peruvian law.

Our goal is to create an environment where every employee feels respected and valued. During 2023, we hired 45 women, which corresponds to 66% of the hires for the year. Of this group of women, 22% hold an executive position (managers, assistant managers, chiefs).



### NUMBER AND PERCENTAGES OF PEOPLE WHO HAVE PARTICIPATED IN SELECTION PROCESSES BY 2023

GENRE	INTERNALS		EXTERNALS		INTERNS		TOTAL
WOMEN	21	19%	163	71%	112	53%	296
MEN	92	81%	68	29%	101	47%	261

### PERCENTAGE OF RECRUITMENT IN SELECTION PROCESSES PER GENRE

GENRE	HIRED	INTERN
Women	64%	61%
Men	36%	39%
Total	100%	100%

## NUMBER OF HIRES PER POSITION

POSITION	TOTAL HIRING	%
CEO	1	1
Vice-Presidents	0	0
Managers	2	2
Chiefs	4	4
Supervisor/coordinator/responsible	17	16
Specialists/analysts	28	26
Technicals	6	6
Assistants	12	11
Professional interns	18	17
Pre-professional interns	20	19
<b>Total</b>	<b>108</b>	<b>100</b>

## NUMBER OF NEW HIRES VS. PERCENTAGE OF POSITIONS FILLED BY INTERNAL CANDIDATES

	2020	2021	2022	2023
Total number of new hires	29	41	39	70
Percentage of open positions filled by internal candidates	54	9	54	41



## 4.6 WORKING TOGETHER WITH OUR SUPPLIERS

### 4.6.1. FOCUS ON SUSTAINABILITY: RESPONSIBLE AND INCLUSIVE PROCUREMENT

This year marked a significant milestone for ENGIE Energía Perú with the launch of our new Responsible and Inclusive Procurement Policy. This initiative reflects our firm commitment to ethical and conscious decision making at all stages of our supply chain.

By adopting this policy and implementing sustainability criteria as part of the technical-economic evaluation in the process of acquiring goods and contracting services, we seek not only to guarantee the quality and efficiency of our acquisitions, but also to encourage this same commitment among our suppliers. We hope that they will implement initiatives in their companies, including practices that contribute to the sustainable development of the communities in the areas where we operate.

ENGIE Energía Perú's purchasing policy is designed to actively incorporate the concept of 'sustainable development' in all phases of the process, from the initial qualification of suppliers to the conclusion of the contract or delivery of goods.

ENGIE Energía Perú's responsible and inclusive procurement approach is structured around five principles:

**Principle 1:** No life at risk. The safety and health of our workers and contractors is our priority.

**Principle 2:** At ENGIE Energía Perú we promote zero tolerance for fraud and corruption, protect human rights and apply the highest standards of business ethics. We demand the same from our suppliers.

**Principle 3:** Acting against climate change is strategic for ENGIE Energía Perú, and the energy transition is at the center of our activities. To this end, we seek to measure, avoid, reduce and offset GHG emissions.

**Principle 4:** Conserving our natural heritage is essential to ensure the continuity of life on the planet. To this end, we seek to measure, avoid, reduce and compensate in the areas of biodiversity, water, energy and waste.

**Principle 5:** At ENGIE Energía Perú we seek to generate a positive impact on society and develop shared value projects, among others, through inclusive procurement.

ENGIE Energía Perú has assumed five key commitments that seek the active participation of all those involved in its policy.

- 1. Promote awareness of ENGIE Energía Perú's sustainable initiatives and behaviors in the supply chain** through periodic communications or training to suppliers and contractors, in addition to awareness campaigns.
- 2. Train ENGIE Energía Perú employees** involved in the procurement procedures of goods or services in sustainability to encourage these attitudes in all agents involved in the supply chain.
- 3. Maintain an open channel of communication with suppliers** in order to detect the implementation of sustainable initiatives, gather suggestions and opportunities for improvement<sup>5</sup>, as well as reject or denounce any practice detected in the value chain that is detrimental to sustainable management in any of its aspects: environmental, social or economic (<https://etica.resguarda.com/engie/pe.html>).
- 4. All technical and economic conditions being equal**, it is our commitment to acquire products or services that are environmentally friendly and attentive to their social impact, as well as to hire the services of local companies

that stand out for their sustainable management.

- 5. Develop alliances with other organizations**, with which to share experiences in sustainable procurement, and seek continuous improvement of practices related to this topic.

In the course of 2023 we have conducted two training courses to strengthen our buyers' knowledge of sustainability issues. This was a first step, which we hope to develop further in the coming years.

Topic	Number of hours per buyer	Number of buyers trained	Investment cost per person
Ecovadis free training courses to raise awareness of best practices in sustainability and the importance of completing the questionnaire	2	14	0
SHIFT course- deepdive in innovation for sustainability and circular economy	9	4	0*

\*ENGIE Energía Perú maintains a membership with the SHIFT innovation association, which provides benefits such as free courses for its associates..

## 4.6.2. CHARACTERISTICS AND MANAGEMENT OF OUR SUPPLIERS

### 4.6.2.1. SEGMENTATION

Supplier segmentation is a key strategy in supply chain management, which involves classifying suppliers into specific categories according to the impact each one has on ENGIE Energía Perú's operations. This classification allows an efficient management of the relationship with our suppliers and our ISO 9001 certification. At ENGIE Energía Perú we have identified the following types of suppliers:

	Number of suppliers	% of expense representation in operations
Critical suppliers	25	39
Other suppliers	1,289	58
Suppliers with high impact on our safety and occupational health, environment and quality activities - SSOMAC (ISO 9001)	67	3

### LOCAL HIRING

For several years, the Logistics and Social Affairs teams have been working to identify potential suppliers in our areas of influence, so that we can have an identified list of suppliers with whom we will work for the sustainable development of the territory. This list, which is updated periodically, has increased by five new local suppliers in the last year.

In 2023, at ENGIE Energía Perú, we will spend US\$ 12.1 million on local hiring for our operations and projects, thus providing a business opportunity to 117 companies in our spheres of influence.

In addition, through the terms of reference established for the service, we actively promote that contractors

who provide services at our generation plants employ unskilled labor with workers from the area. This measure not only complies with contractual provisions, but also reinforces our commitment to the economic and social development of the local community, promotes inclusion, and contributes to the sustainable growth of the region.

4.6.2.2. SELECTION

At ENGIE Energía Perú we seek to develop innovative alliances with our suppliers, share our approach to sustainability and build relationships that contribute to creating an ethical and responsible supply chain in the country.

We select diverse, qualified suppliers that can provide competitive and high quality goods and services through a fair, open and transparent process, and we additionally incorporate technical and economic criteria, environmental, social and good governance aspects in the selection criteria.

We integrate aspects of sustainable development into the different stages of purchasing, from the supplier qualification process, procurement and contracting to receiving the goods or finalizing the contract.

PURCHASING PROCESS

Description



4.6.2.3. EVALUATIONS

In all our contracts with contractors and suppliers, we make sure to include clauses that address labor practice requirements, human rights, ethics, and environmental and social aspects, which will help establish fundamental ethical standards.

Additionally, the Safety, Occupational Health and Environment Guide (SSOMA guide), which forms an integral part of the annexes to these contracts, provides mandatory guidelines to guarantee high standards of safety and health at work, and the environment.

The evaluation of our suppliers is a surveillance tool to ensure good compliance with shared guidelines. Thus, they are evaluated periodically and automated in order to have a comprehensive evaluation, which is presented mainly in four moments:

➔ **Before starting a new business relationship, we carry out ethical and financial due diligence, through which we verify that potential suppliers are not immersed in issues related to fraud, corruption, violation of human rights, health and safety;**

Your credit information is also evaluated. In 2023, due diligence has been carried out on 581 new and current suppliers.

➔ **During bidding processes, the supplier's historical performance in relation to previous contracts is evaluated. Additionally, the corporate social responsibility (CSR) aspect is considered when evaluating the proposals received.**





- **During** the execution of the service, our SSOMA area has carried out 53 audits of suppliers that execute services within our plants. These audits are scheduled annually and inspections are carried out during the execution of their services.
- **After** the service has been executed, the contractor's performance is evaluated in terms of occupational health and safety, environment, quality, customer service, order and cleanliness, legal compliance with its workers and social responsibility, among others. The result of these evaluations is taken into consideration for future hiring.

Additionally, this year our critical suppliers have been asked to complete the Carbon Data Collection Campaign 2023 survey. The responses received will allow us to establish a baseline regarding their carbon footprint. This survey has been answered by 40% of our critical suppliers.

During 2023, 14 critical suppliers have current EcoVadis certification (8 more than last year), that is, approximately 67% of the total critical suppliers that we request to have this certification.

#### 4.6.4. SUPPLIER DEVELOPMENT AND TRAINING

Engie Energía Perú is committed in its responsible and inclusive procurement policy to promote awareness of **ENGIE Energía Perú's sustainable initiatives and behaviors in the supply chain** through regular communications or training to suppliers and contractors, in addition to awareness campaigns. In this regard, the following actions have been implemented this year:

##### NATIONAL SUPPLIERS WORKSHOP

We organized our national supplier workshop under a hybrid modality (face-to-face for critical suppliers and virtual for non-critical suppliers), in which 320 companies participated, representing 30% of the total number of national suppliers registered in our Supplier Master (database with the data of all our suppliers).

This year we have highlighted the presentation of our Responsible and Inclusive Procurement Policy, and we have presented ENGIE Energía Perú's way of working in terms of business ethics, diversity and inclusion, as well as cybersecurity.

Additionally, we have implemented a new section in which one of our suppliers presented a corporate social

responsibility initiative, which works within the framework of its contract with ENGIE Energía Perú, with the objective of motivating and creating a multiplier effect that promotes sustainable and ethical practices throughout our supply chain.

##### ANNUAL CONTRACTORS MEETING

For the sixth consecutive year, the Annual Contractors' Meeting was held virtually in December, and 98 companies attended. This year the meeting focused on safety, occupational health and environmental issues.

##### WEBINAR "OUR ETHICAL CULTURE"

In 2023, we launched our supplier webinar "Our Ethical Culture", which took place in four sessions and was a good opportunity to reinforce our zero-tolerance stance on fraud and corruption and respect for human rights. In total, around 160 representatives of our suppliers participated in this webinar.





## 4.7 WE MOVE FORWARD WITH THE COMMUNITIES

We want to build a new, low-carbon, inclusive energy world that actively engages communities in this transition and creates development opportunities that positively impact our environment.

Through the promotion of spaces for dialogue and collaboration, we seek to contribute to the SDGs. These actions are materialized in programs, projects and activities, which, in 2023, meant a social investment for local development of US\$ 2,318,500 and US\$ 3,543,000 for road maintenance, which benefited 82,700 residents in the districts of Chilca (Lima), Huachón and Paucartambo (Pasco), Huallanca

and Yuracmarca (Áncash), Ocucaje and Santiago (Ica) and in the provinces of Ilo and Mariscal Nieto (Moquegua).

Our objective is to contribute to a social development that promotes a better quality of life for the population in the area of influence of our operations, in addition to the existing local development efforts, framed within the company's corporate sustainability policy. And efforts are coordinated with different public institutions (local, district or regional) and civil society organizations.



#### 4.7.1 OUR RELATIONSHIPS WITH COMMUNITIES IN PRACTICE

We work to be agents of change and creators of sustainable social value. Our commitment is reflected in the promotion of social investment with impact, channeling resources to initiatives and projects aimed at improving the quality of life of the communities where we operate. We actively participate through various programs and strategic alliances with the objective of generating transformational, innovative and measurable actions. We strive to be catalysts for positive and lasting change, and to contribute significantly to the well-being and sustainable development of the communities we serve.

##### LOCAL EMPLOYMENT PROGRAM IN PROJECT AREA

We are committed to promoting the hiring and employment of local workers in the communities located in our areas of operation and projects. This is fundamental to our commitments to the communities in the areas of influence of our operations and projects.

To ensure the effective implementation of this policy, we have established specific processes and guidelines. In addition, we have transparent

procedures that maximize opportunities to hire local workers<sup>20</sup>. As a result, in 2023 we have generated around 900 temporary jobs through our contractors. In addition, we have adopted rigorous practices that protect them from unauthorized labor intermediation, child and forced labor, and discrimination.

##### LOCAL DEVELOPMENT CONTRIBUTION PROGRAM

At ENGIE Energía Perú we understand that building a sustainable and equitable future requires a comprehensive approach. For this reason, our actions are framed in four key lines of action: local development, education, health, and culture and sports. By focusing on these areas, we seek to mitigate our impact and promote the social and economic progress of the communities located in the areas of influence of our operations and projects.

→ **Local development.** We seek to reinforce the technical and infrastructure capacities of small local entrepreneurs, in order to strengthen the proper management of their businesses for their insertion in commercialization chains or to

start their own businesses, which will improve their quality of life by increasing their family income.

→ **Education.** We develop actions and projects focused on the education of children and young people, through the improvement of facilities, the delivery of school supplies and specialized training.

→ **Health and wellness.** We seek to leverage existing local resources and establish alliances with local health networks. In addition, we reinforce knowledge to prevent disease through comprehensive health campaigns.

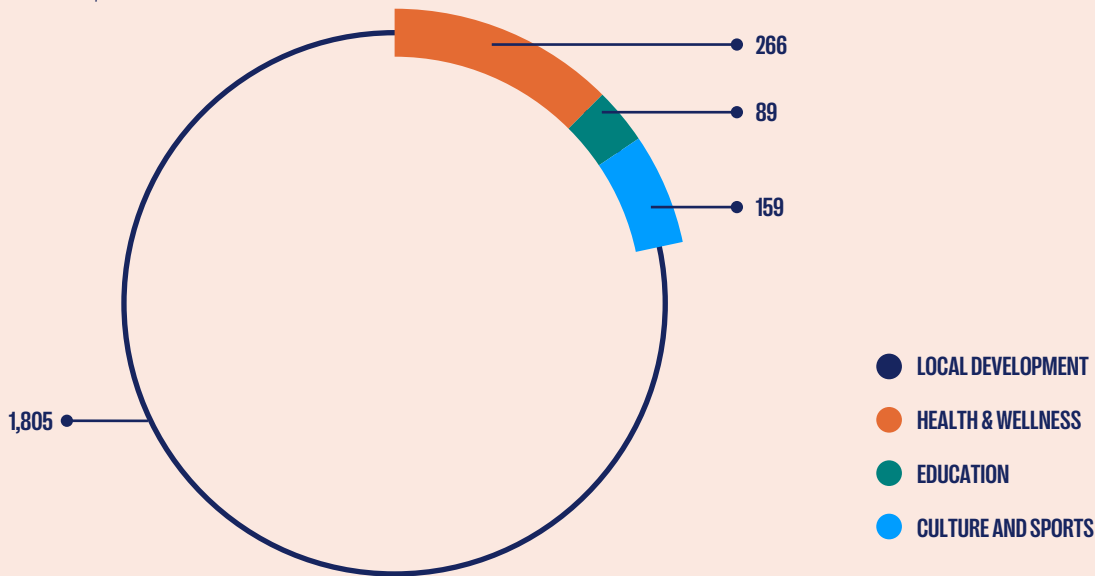
→ **Culture and sports.** We promote sports and culture as a means for a healthy life, as well as the civic and artistic identity of the citizens in our areas of influence.

<sup>20</sup> For more details see the section Our suppliers



## SOCIAL INVESTMENT

in K US\$



### CITIZEN PARTICIPATION MECHANISM: PROCEDURE FOR ATTENTION AND MANAGEMENT OF CONCERNS, COMPLAINTS AND CLAIMS

a continuous dialogue and active communication with our different stakeholders in the communities located in the areas of influence of our operations and projects.

We strive to maintain a constant and transparent relationship by informing about our activities, and listening to suggestions and consultations in order to generate solid, lasting and transparent relationships.

Our Procedure for attention and management of concerns, complaints and claims establishes the guidelines for the reception, registration, follow-up, resolution and closure of concerns, complaints and claims (PQR) submitted by stakeholders regarding operations or projects developed by ENGIE Energía Perú. The purpose of this is to reinforce trust and prevent potential social conflicts.

This year our PQR process handled 21 PQRs, with a 100% response rate, listening to the concerns of the communities, and seeking to improve the time and quality of response to our various local stakeholders.

Headquarter	PQR received and attended
Ilo	0
Chilca	1
Yuncán	14
Quitaracsa	4
Punta Lomitas	2

### COMMUNICATION AND SOCIAL RELATIONS PROGRAM

We are committed to ongoing dialogue with our various stakeholders and remain open to constant exchange. We regularly consult with communities through our community relations officers. Reinforcing this commitment, our Social Policy reaffirms our determination to establish relationships based on mutual respect with our stakeholders and communities in the areas of influence, through ongoing dialogue and constant communication about activities carried out during the company's operations or projects.

### CITIZEN ENVIRONMENTAL MONITORING AND SURVEILLANCE COMMITTEE (CVMA)

ENGIE Energía Perú has set out to build strong bonds of trust with the communities in its areas of influence through a focus on transparency and participatory dialogue. Following Peruvian regulations, the company has chosen to establish a citizen participation plan with two key elements: the creation of an information office and the formation of the Citizen Environmental Monitoring and Surveillance Committee in the city of Ilo. These mechanisms seek to actively involve the community in the supervision and follow-up of the environmental impact study commitments, and to strengthen communication and transparency among all parties involved.

This initiative not only aims to comply with environmental commitments, but also to strengthen the leadership skills of the committee members by providing them with tools to be supervisors and training them in environmental issues. ENGIE Energía Perú is committed to prioritizing the well-being of society and its

representatives by placing social responsibility and sustainability at the center of its operations. The committee focuses on monitoring and supervising the commitments established in the environmental impact study of our power plants, which is evidence of ENGIE Energía Perú's commitment to be an active ally in the protection and care of the environment, thus promoting responsible production and consumption.

In addition, we provide resources to finance, promote and sustain the organized participation of civil society and local authorities in the follow-up and environmental monitoring of the construction and operation of power generation plants. These actions have benefited the rural and urban population of the districts of Ilo and El Algarrobal in Ilo, Moquegua. As a result of the experience in Ilo, ENGIE Energía Perú implemented a Citizen Environmental Monitoring and Surveillance Committee for the construction stage of the Punta Lomitas Wind Power Plant in Ica, as well as an information office.

### INDICATORS:

- 100% of interest groups represented on the committee by some authority or leaders of their organizations
- 100% involvement of the committee in participatory monitoring carried out by a specialized third party and supervised by the national authority (four annually)
- 100% in compliance with the presentation of public results in front of the entire province of Ilo, to guarantee the transparency of the process
- 0 findings nor exceeding the maximum permissible limits according to Peruvian environmental regulations
- 0 social conflicts during the construction and operation of the plants
- 100% of committee members trained in environmental issues



## 4.7.2 MAIN ACHIEVEMENTS OF OUR SOCIAL MANAGEMENT AT OUR SITES

Over the past year, we have strengthened our commitment to sustainability and social responsibility by making significant contributions to improving the quality of life in the communities around us. Our holistic approach encompasses a variety of aspects, from supporting educational initiatives and fostering local economic development to implementing infrastructure projects that promote the integral wellbeing of the population. Through these actions, we seek not only to be a vital economic player, but also a catalyst for social progress. These efforts reflect our conviction that business success is intrinsically linked to the sustainable development of the communities located in the areas of influence of our operations.

### LOCAL DEVELOPMENT

- Seaweed in Ilo. We developed the skills of the members of the Las Brisas Association by conducting a course on labeling and packaging, which improved the production and marketing of their seaweed-based products, such as jams, cookies, flour, nectar juices and suginori. The sustainable entrepreneurship process is based on the cultivation of seaweed (yuyos), which provides employment opportunities at all stages, from cultivation to processing and sale of these products.
- Senati-Ilo Scholarships. We provided 20 scholarships for the course on occupational health and safety and 40 scholarships in business management for the Chen Chen town center, which benefited 60 young people, facilitating their insertion into the labor market.
- Rehabilitation of four sports facilities in the district of Ocucaje. This activity benefited four population centers, made up of 1,500 people living in the area.
- Maintenance of well IRHS 263, including the replacement of the

pump and motor, which supplies water to the district of Ocucaje. This activity benefited more than 3,500 people.

### QUALITY EDUCATION

- Caravana Escolar 2023, with the support of ENGIE Volunteers, delivered technological equipment such as interactive whiteboards, projectors, banners, laptops, among others, to implement two virtual classrooms for the benefit of more than five hundred students in the district of Chilca.
- Training on good manufacturing practices, preparation of breads, cakes and panettones. In addition, we donated bakery equipment (oven, mixer, kneading machine, etc.) to educational centers in Paucartambo and Huachón, area of influence of our Yuncan HPP, Pasco. We benefited 176 people, including students, teachers and parents from three educational institutions.
- We financed one hundred scholarships to encourage technical education in Chilca, through the Chilca-Pucusana Chamber of Commerce and with the co-financing of other allied companies in the area. An educational project was started to train the local population. One hundred students have been receiving free classes in courses such as drywall construction, melamine, electrical installation, and ceramic and porcelain tile installation, among others.
- Financing to rehabilitate the infrastructure of the San Antonio Educational Institution No. 22762, in the district of Santiago, in Ica, benefiting more than 140 primary school students.
- Pre-University Education Program in Ocucaje, through which academic leveling classes were offered to young students. Likewise, teaching materials were provided and the study space was equipped with

academic furniture. This program benefited 68 participants.

### HEALTH AND WELLNESS

- Oral healthcare and nutrition campaigns for residents of Punta Lomitas with the aim of promoting health in the population of Ocucaje. Complete kits containing toothbrushes and toothpaste were provided; In addition, recreational activities were carried out to raise awareness among the population about the importance of good oral health, as well as correct tooth brushing..
- Campaigns to reinforce the practice of healthy eating habits to prevent anemia in Ocucaje. Training in conjunction with the Local Health Administration Committee (CLAS) of Ocucaje..
- Financing to rehabilitate the infrastructure of three health facilities in the Ocucaje district, to benefit more than 4,000 people.
- Donation of a tanker truck to supply water to the population living in the rural areas of the Ocucaje district.
- Comprehensive health campaign in the district of El Algarrobal, with more than 250 services among children, young people, adults and older adults, with services in different areas, such as medicine, nutrition, dentistry, psychology, gynecology, nursing and general medicine. Additionally, in alliance with the Ilo Red Cross branch, we supported with hygiene and clean hands training.

### CULTURE AND SPORT

- In 2023, the Energy Race in Ilo, the most representative sporting event in the region, in its twentieth edition, was organized jointly with UGEL Ilo, the Provincial



Municipality of Ilo and the District Municipality of El Algarrobal, and featured the support of more than 350 volunteers from the most representative organizations and institutions of the province of Ilo, such as environmental promoters, the emergency operations center, the subprefecture, the Red Cross, the health network, the PNP, the Olive Tree Route, the deputy managers of the municipalities of Ilo and El Algarrobal, among other entities.

- We should also highlight the support of more than 45 ENGIE Energía Perú workers as corporate volunteers, who proactively collaborated before, during and after the development of the race. In this sporting event, one of the most representative of the southern part of the country, more than 1,300 students from 27 educational institutions in Ilo and more than 100 free athletes from the Moquegua region and the southern part of the country participated. In this event, 24 students emerged as winners of different categories, who were awarded bicycles to promote sustainable mobility.

## 4.7.3 SUCCESS STORIES

### 4.7.3.1 Productive-economic development

#### AGRO BUSINESS PROGRAM IN YUCÁN

In 2023 we invested US\$ 177,120 in one of the most emblematic programs for the company: Agroentrepreneurship. This program allows to improve the quality of life of the residents, promote social and economic insertion through support in productive activities, and contribute to organizational strengthening, commercial management and improvement in the production of agricultural products in the districts of Paucartambo. and Huachón.

#### INDICATORS

- 230 families from both valleys centralize their production in the primary processing plant in Agomarca (Paucartambo) and market their products with special markets under their collective brand ENTREFRUTOS.
- Producer families in the Paucartambo and Huachón valleys increase their annual income by over 30%.
- 22 sheep farmers above 4,000 meters above sea level, in the upper area of Bellavista, have managed to double their income with the genetic improvement of their sheep.
- 11 permanent jobs and 1,840 temporary jobs were created.
- Primary processing plant in Agomarca has sanitary authorization from Senasa for the trade of passion fruit, aguaymanto, rocoto, strong avocado, Hass avocado, cherimoya, Andean papayita, broad bean, native colored potato and yellow potato.
- The processed line was developed: frozen pulps, dehydrated products, and preserves based on rocoto with health registrations and authorizations.

- A group of 18 families dedicated to raising guinea pigs have managed to increase their production from 470 guinea pigs to a total of 5,125 with the construction and equipment of nine additional sheds.

#### COCHAYUYO ALGUEROS IN OCUCAJE

In 2023, the fishermen of the Maritime Community of Artisanal Fishermen of Rivera San Pedro de las Yervas (Comapar) association, in the district of Parcona, province and region of Ica, managed to market the cochayuyo seaweed with added value in new markets in the Ica region, and obtained greater income due to the innovation of their processes.

This achievement occurred as a result of the execution of the project called Improvement of Technical Capacities in the Drying and Marketing Processes of Cochayuyo Seaweed (*Porphyra Columbina*), financed by the competitive fund of the National Program for Innovation in Fisheries and Aquaculture (PNIPA) with the support of ENGIE Energía Perú as co-financier.

#### INDICATORS

- 180 fishermen developed their skills in managing the extraction, drying and packaging processes of their products, which allowed them to obtain competitive advantages in new markets in the Ica region, and achieve greater income and, consequently, improve the quality of life of their families.
- 10% of the seaweed production is being marketed with added value in new markets in Ica.
- Fishermen's income increased by 24% compared to the 2022 campaign.

#### 4.7.3.2 Winners of funds for local development and entrepreneurship

In 2023, ENGIE Energía Perú promoted participation in competitive funds by associations and entrepreneurs in the areas of influence of our operations, financing the formalization of associations, the preparation of business plans, the granting of counterpart contributions, the execution of projects, among others. In this context, 5 entrepreneurship initiatives were awarded, which benefited more than 1,750 local actors, according to the following detail:

Area of influences	Competitive fund	Organization	Entrepreneurship	State contribution S/	ENGIE contribution S/	Beneficiaries
Ilo	Procompite	Association of Non-Boat Artisanal Fishermen and Protectors of the Marine Environment of the Port of Ilo	Improvement of croaker farming	160,000	39,600	133
Yuncán	Agroideas	Central Association of Agricultural Producers of the Agricultural Valley of Paucartambo, Pasco	Increase in rocoto cultivation	485,000	207,860	261
		Association of Agricultural Producers of Guinea pigs Cutuchaca	Increase and improvement in guinea pigs production	315,910	78,977	72
Quitaracsa	Avanzar Rural Agrorural	Los Hijos de Quitaracsa Association – C.C. Quitaracsa	Marketing of improved guinea pigs in the regional market	107,350	25,000	85
		Cupipampa Breeders Association	Production and sale of standing sparrows for the regional market	97,239	25,000	85
				1,165,499	376,437	636

#### 4.7.4 SUMMARY OF GENERAL INDICATORS

- US\$ 2.3 million in social investment during 2023 and US\$ 3.5 million in road maintenance.
- 21 concerns, complaints or claims addressed through our citizen participation mechanisms with neighboring populations in our areas of operation.
- 82,700 people benefited from the social actions implemented.
- 0 social conflicts that would paralyze energy generation.
- 100% compliance with our established social commitments.
- More than 900 people hired as local labor (skilled and unskilled) by ENGIE Energía Perú or through its contractors.
- 5 entrepreneurial initiatives promoted with competitive funds promoted by the State, for S/ 1,165,499, which benefited more than 600 local actors.



Ch. 5

# PLANET

WE ACT  
AGAINST  
CLIMATE  
CHANGE







# **WE ACT AGAINST CLIMATE CHANGE, CONSERVE NATURAL RESOURCES AND PRESERVE BIODIVERSITY**

**DISCLAIMER:** 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 will prevail.





In ENGIE Energía Perú, we conceive our long-term performance with an environmental policy that contributes to the transition into a carbon-neutral economy, the mitigation of adverse effects of its activities on the environment (increasing its positive effects where possible) and capitalizes on the opportunities arising from the environment stewardship in connection with our activity and relations with our stakeholders. The corporate environmental strategy takes into consideration, among other factors, the environmental analysis of our chain value (in line with the life cycle analysis under the guidelines of the ISO 14001 standard) and the materiality analysis of the different environmental issues, evaluating the impact on the company (equity, image, operations, compliance, etc.) and the relevance for our stakeholders.

During 2023, we achieved to consolidate our preventive environmental management with the identification of the risks at every level and the implementation of operational controls effective according to our frame of compliance of our Management Programs and Plans of Environmental Management, key milestones of our system of management and environment certification according with the legal frame that applies. We carry out environmental inspections and audits which allow us to identify deviations and/or opportunities for improvement. In addition to complying with growing environmental regulatory requirements, we aim to achieve environmental performance that places us among the most ambitious companies in the sector. To this end, we have also adopted international environmental standards (ISO 14001, IDB IFC Performance Standards) and we join environmental management recognition programs, such as the Peru Carbon Footprint platform (HC Perú - MINAM).

Our environmental performance constitutes a fundamental pillar in the results of sustainability platforms or certification, such as EcoVadis and Merco ESG.

As specific relevant aspects that were addressed during 2023 in environmental matters, we can highlight the completion and final verification of partial abandonment activities of our Ilo 1 thermoelectric plant for all components established under the scope of the plan approved by the competent authority. The abandonment process meets the company's climatic and environmental objectives under the circular economy approach, and ensures the physicochemical stability of the facilities, the pre-existing situation of the site and the appropriate future use of the area. On the other hand, it is necessary to highlight the compliance during the period of all the actions committed to in the environmental and social action plans within the framework of the application of performance standards of the Inter-American Development Bank (IDB or IDB, for its acronym in English). for our Punta Lomitas Wind Power Plant.

## 5.1 ENVIRONMENTAL GOVERNANCE

Committed with operating with the highest environmental standards and in harmony with natural ecosystems, ENGIE Energía Perú has established an environmental governance model with policies that encourage us to go beyond the compliance with reference standards, which permit us to identify, assess and control on an ongoing basis the environmental aspects and impacts to prevent a possible environmental contamination caused by the emissions, effluents, solid waste and other aspects as result from our activities.

All investment projects in our company have the corresponding environmental permits, which establish management and control measures of the environmental aspects and impacts throughout the useful life of its activities in the sector (environmental monitoring, waste management, effluent control, water care, adequate use of resources, etc.). Environmental performance and compliance with our obligations are reported to the competent environmental authorities as required by law. Our environmental performance is permanently overseen and audited by competent authorities.

At ENGIE Energía Perú, we have an Environmental Policy that includes the following principles and are committed to:

- Comply with the applicable environmental regulation, the regulations of the ENGIE Group and other agreements entered into by the company, working constructively with the main actors appropriate of the government about the inquiry of environmental compliance.
- Assess opportunities to implement improvements and energy efficiency solutions at its plants and projects, and promote the use of materials and technologies to permit, to the extent possible, the reduction of greenhouse gasses.

- Use water, fuels, energy effectively and prioritizing waste management, reduction, repurposing and recycling, considering a general focus of a circular economy.
- Contribute to the conservation of natural environments integrating biodiversity in our environmental management strategies in observance of applicable regulations.
- Promote a proactive and engaged environmental management culture in the organization; train our employees about the environmental aspects and their impact associated with their activities and responsibilities.
- Establish measurable environmental objectives and action plans to promote continuous improvement.
- Require suppliers and contractors an optimal environmental performance according to the company's policies.
- Raise awareness among our internal and external stakeholders by communicating this policy within the organization, and maintain this policy available for interested parties and report our environmental performance in an open and honest manner.

### 5.1.1 TOOLS DEVELOPED FOR A GOOD ENVIRONMENTAL GOVERNANCE

#### ISO 14001

In 2023 we achieved SGA ISO 14001 recertification and Income verification in environmental matters without observations (Internal Control Management and Efficiency). Having ISO 14001 certification since 2004 has been fundamental for our environmental management, because it provides us with a structured framework that allows us to identify and evaluate environmental aspects in compliance with legal requirements, always hand in hand with the active commitment of senior management in our sustainable practices. This standard, which has facilitated the continuous improvement of our environmental performance, has reduced waste and costs, and strengthened our corporate image through responsible and sustainable business practices, being a key driver of efficiency and responsibility in all our operations.

#### ENVIRONMENTAL MANAGEMENT PROGRAM (PGA)

- The PGA stands as a pillar in our environmental management strategy, as it provides specific and personalized guidance to address the environmental aspects and impacts associated with our operations, which is why each of our headquarters manages its own PGA adapted to its scenarios. The programs at each of the company's headquarters serve as a strategic tool that not only identifies and evaluates our environmental impacts, but also establishes specific goals and concrete actions to continually improve our environmental performance. Through the PGA we assign roles and responsibilities, implement specific procedures, and encourage communication and participation of interested parties.



This comprehensive approach allows us to not only comply with legal and regulatory requirements, but also proactively move towards more sustainable and responsible practices.

- During 2023, a total of 2,132 actions were planned for the different PGAs at the headquarters, and 100% compliance was achieved.

## TRAINING AND ACKNOWLEDGEMENT

During 2023 we have reinforced training actions in environmental aspects, with all our workers, aligned with the provisions of the Regulation for Environmental Protection for Electrical Activities (Supreme Decree No. 014-2019-EM) and in compliance with the Plan of Environmental Training established for the period. A total of 1,577 hours of training have been carried out in 2023, an increase of 17% compared to the 1,304 hours of training in 2022.

Likewise, among the most notable awareness activities we have the following:

- Environment Week 2023: Participation of external speakers, specialists in climate change and biodiversity conservation, among other relevant topics. Likewise, an internal contest was held to promote the development of ideas that promote good environmental management. 16 proposals were presented associated with document management, water management, recycling actions, among others.

- Virtual courses through the ULearn platform to deepen our workers' knowledge of climate change and biodiversity

## 5.1.2 ENVIRONMENTAL MONITORING AND SURVEILLANCE PROGRAM

At ENGIE Energía Perú we carry out rigorous control of all the environmental impacts produced by our operation. Thus, we comply 100% with the periodic monitoring program of liquid effluents, receiving bodies of water, gaseous emissions, air quality, meteorological parameters, soil quality, environmental noise and electromagnetic fields, in addition to the control of flora and fauna, slopes and ecological flows, which meant 824 samplings carried out throughout 2023. The results of these monitoring, which are promptly presented to the competent authorities, comply with the deadlines and manner established by current environmental regulations, and are open to the inspection of entities such as the Environmental Assessment and Control Agency (OEFA), as well as as well as the National Water Authority, among other regulatory bodies.

During 2023 we had the following results:

- 5 Environmental inspections by the OEFA at our plants in Chilca, Punta Lomitas, Quitaracsa, Yuncan and Ilo 1 Abandonment Plan, the result of which was 16 verified events.
- 0 absences in LMP/ECA committed due to company activities<sup>21</sup>
- 0 fines or significative sanction<sup>22</sup> in environmental issues

- 0 environmental incident reportable to the authorities within the framework of our activities
- 100% compliance with the presentation of mandatory environmental reports for authorities regarding environmental monitoring, discharges, waste disposal (139 reports)

## 5.1.3. MANAGEMENT OF ENVIRONMENTAL AUTHORIZATIONS

We are respectful of environmental regulatory compliance, which is why at ENGIE Energía Perú we care about keeping all our environmental permits and licenses for the use of water, reuse of wastewater and discharges, adaptation to environmental quality standards, among others, updated and current, since be it for our current operations, as well as for new investment projects. In this sense, during 2023 the following documents were approved in our favor:

- Supporting technical report to modify the perimeter fence of the expansion of the Chilca 1 TPP (today called Chilca 2 TPP) and the technological improvement of the Natural Gas Meter System of the Chilca 1 TPP

<sup>21</sup> As of the date of the report: no findings or sanctions have been made by the environmental control authority.

<sup>22</sup> Taking into account the materiality criteria established in the DJSI (>10,000 US\$) and the date of occurrence of the identified violations, no fines/ violations are reported in the years 2021, 2022 and 2023. It should be noted that, in November 2023, The Company has received a fine of 19.1 UIT regarding two infringing behaviors in 2019 - 2020, which has been resolved in an administrative instance..



## 5.2 ENVIRONMENTAL EDUCATION: PROJECTS AND CAMPAIGNS WITH OUR STAKEHOLDERS

Investing in education and awareness is essential to our commitment to sustainability. During 2023 we have implemented a series of educational projects and campaigns aimed at both our staff and the residents of our area of influence at the various operational headquarters. These initiatives, which cover topics such as ecohabitats, waste management and energy transition, seek to promote good environmental practices and encourage the adoption of sustainable behaviors that contribute to preserving our environment.

### LIMA CITY

**Green Educational Bus:** The Magic of Electricity. Its purpose is to bring knowledge about climate change and the energy transition in a playful and interactive way to children between 7 and 11 years old. During 2023 we have brought the Educational Bus experience to 5 public schools located in Metropolitan Lima, having the following main results:

- 871 children participating in the experience
- 26 sensitized teachers
- 28 ENGIE volunteers and Universidad Nacional Mayor San Marcos
- 219 km routes with the electric bus, which has avoided the emission of 245.28 kg of Co2eq compared to a diesel bus.

### CHILCA

- “Less plastic more life”, where staff were sensitized about actions to minimize our impact on the planet due to plastic consumption. More than 90% of the plant's staff participated.
- Implementation of a bio-orchard by planting seeds and reusing wood. Fifty volunteers participated in the project.

### ILO AND MOQUEGUA

- Ilo beach cleaning, where 122 volunteers participated and approximately 30 km of beach were cleaned. The SERFOR authority participated.

### ICA

- Cleaning of Punta Lomitas beaches, which had the participation of 25 volunteers. The work also considered the cleaning of the access used by the algueros in the area.

### YUNCÁN

- Cleaning the banks of the Paucartambo River to promote the conservation of natural water sources.
- Participation of plant workers in the production of videos to raise awareness among the team about good environmental practices in solid waste management

# 5.3 CLIMATE CHANGE

## 5.3.1. CLIMATE STRATEGY

The ENGIE Group participates in the fight against climate change, and positions the transition towards a carbon-neutral economy as the central axis of its activities. At a global level, it embarks on an accelerated transformation towards low-carbon activities in harmony with sustainable development, accompanying clients and suppliers in achieving the goal of Net Zero Carbon by 2045. At ENGIE Energía Perú we adopted the goal of zero net carbon emissions by 2045 in line with Peru's national climate commitments and the applicable regulatory framework. We are dedicated to transforming our operation to significantly reduce GHG emissions, develop renewable energy sources and promote sustainable practices.

### WE PRESENT OUR PATH TO ACHIEVE THE GOAL:

## OUR RUTE TOWARDS ZERO NET CARBON to 2045

In line with our climatic engagements of Peru and in the regulatory applicable frame



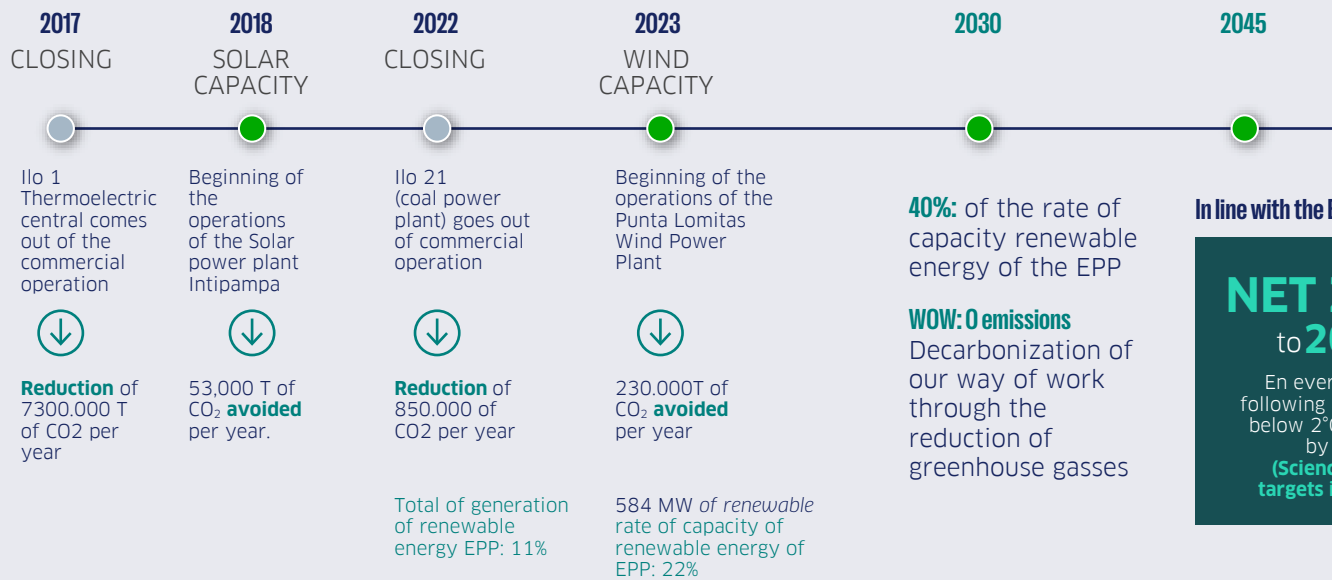
Decarbonization of our clients through a promotion of renewable energy



Decarbonization of our operations and ways of work



Climatic actions and the promotion of clean energy with all of our stakeholders



In line with the ENGIE Group

**NET ZERO to 2045**

En every scopes following a trajectory below 2°C. Certified by SeTI  
(Science based targets initiative)



### 5.3.2. MAIN CLIMATIC ACTIONS

ENGIE Energía Perú has formed a Climate Change Committee, whose main objective is to implement actions related to its climate action strategy, in line with the group's global objectives and considering the expectations of its interest groups. Among the main actions developed by the committee during 2023 we have the following:

- Risk assessment and climate vulnerability of our generation assets. Medium and long-term meteorological and hydrological predictions were developed for our hydroelectric plants.
- Inventory, trajectory and CO2 reduction. GHG generation projections were developed for 2030 and 2045, considering operational, commercial and future project development scenarios.

→ WoW project:

>Updating the emissions inventory of our administrative ways of working

>Update of the emissions roadmap and reduction actions to 2030

→ CDM Projects: The UNFCCC CDM registration of the HPP was maintained. Quitaracsa and PoA of non-conventional renewable projects of ENGIE Energía Perú, for their subsequent adaptation to the mechanisms established by article 6 of the Paris Agreement

→ Awareness and training. Climate change was included as a topic to be developed among the training plans of the different company headquarters. 1.5 hours of training during the year. Likewise, specific

training of personnel to carry out carbon footprint estimates was coordinated. On the other hand, under the guidance of the Nexos + 1 organization, the climate maturity diagnosis was carried out, an evaluation that uses the UN Race to Zero criteria and that measures business climate actions in six dimensions, and a score of 92% climatic maturity (10 points higher than a previous evaluation).



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### 5.3.3. MEASUREMENT OF CARBON FOOTPRINT

For our actions to be efficient and allow us to implement reduction and compensation strategies, we need to determine the main GHG-generating activities. In 2023, our total carbon footprint was 3,653,206 T of CO<sub>2</sub>eq (77% of emissions are a product of thermoelectric generation). At ENGIE Energía Perú we measure your carbon footprint in detail:

- Total carbon footprint without considering fuel life cycle emissions or energy commercialization (categories 1, 2 and 3): 2,828,212 T of CO<sub>2</sub>eq
- Carbon footprint of the life cycle of the fuels used: 736,831 T of CO<sub>2</sub>eq
- Carbon footprint from the purchase and sale of energy: 88,183 T of CO<sub>2</sub>eq
- Carbon footprint of the corporate office: 1,150 T of CO<sub>2</sub>eq.
- “Ways of Working” emissions: 2,775 T of CO<sub>2</sub> in 2023, (3% lower compared to the 2022 result)

→ Carbon footprint of the “Energy Race 2023” event: 21 T of CO<sub>2</sub>eq

The measurement of the carbon footprint of all our plants in operation, our administrative headquarters, the life cycle of fuels used and the purchase and sale of energy is carried out under the ISO 14064 standard and GHG Protocol (GHG Protocol) and is verified a third party (Aenor certifier).

For the fourth consecutive year, ENGIE Energía Perú, which has registered its results verified by a third party (Ecoamet) on the Peru Carbon Footprint Platform, has achieved carbon neutrality of our headquarters in San Isidro, by offsetting its remaining emissions. with certified carbon credits.

This indicates that, in addition to having calculated the carbon footprint with the tool provided by the platform, the organization verifies it with an entity accredited in NTP ISO 14064.

### 5.3.4. ENERGY ATTRIBUTES CERTIFICATION

#### CERTIFICATION OF RENEWABLE ENERGY ORIGIN

The SGS certifier issued certificates for 10 of our clients for 87,409 MWh, based on the official COES reports and its own validation methodology. We are in process. We issue certificates under the international I-REC scheme for the 2022 generation for 1,121 GWh with the aim of covering future requirements of our clients. We redeem I-REC certificates from 2023 for 205GWh.





## 5.4 NATURE IMPACTS

### 5.4.1. WATER MANAGEMENT

At ENGIE Energía Perú we take a proactive approach to water management, focusing on the efficiency of water use and prioritizing its reuse. We are aware of the importance of this vital resource that is becoming increasingly scarce, which is why we are committed to optimizing its use through innovative and sustainable practices in our operations. Our strategy seeks not only to maximize efficiency in water consumption, but also to close the cycle through reuse, and contribute to preserving water resources and building a more sustainable environment. This commitment, which highlights our dedication to responsible water management, integrates circular practices that reflect our commitment to sustainability and environmental responsibility. During 2023, we will continue our measurement work for the efficient management of the water footprint using internationally recognized standards, such as ISO and the GHG protocol. To reinforce the integrity of our results, we subjected our

measurement to an independent verification carried out by Aenor. This verification not only ensures the accuracy and reliability of our data, but also reflects our unwavering commitment to transparency and continuous improvement in the management of our water resources. In order to improve our water reduction, reuse and utilization management, at ENGIE Energía Perú we implement the following good practices:

- Reuse of treated domestic water for irrigation of green areas at our Ilo and Chilca plants.
- Measurement of the water footprint.

In 2023, our water consumption was 262,378 m<sup>3</sup>, which increased our consumption by 1%, compared to last year.

#### MAIN INDICATORS 2023

- The annual volume of water consumed for all our operational headquarters was 262,378 m<sup>3</sup>
- The volume of water extracted (captured) for all our operational headquarters was 8,737,970 m<sup>3</sup>.
- The annual volume of water consumed by our administrative headquarters was 1,052 m<sup>3</sup>
- 30,424 m<sup>3</sup> of water consumed to generate one megawatt.
- 3,773,381 m<sup>3</sup> of water were derived for cooling or similar (non-consumption) in the generation activities of the thermoelectric plants.
- 8,475,592 m<sup>3</sup> of water were derived for cooling or similar (non-consumption).
- 1,208 m<sup>3</sup> of water used during the cleaning process of solar panels at our Intimpapa power plant.



### DESALINATION INDICATORS

- 139,878 m<sup>3</sup> of water consumed from the desalination process.
- 65% of our total consumption comes from the desalination process.
- For desalination, the Chilca plants used 20.8 kWh/ m<sup>3</sup>, while the Ilo plants used 2.7 kWh/ m<sup>3</sup>.

- 66 tons of chemicals are used to treat water.

### CIRCULARITY INDICATORS

- 90,140 m<sup>3</sup> of water were treated, recycled and used to irrigate green areas at the Chilca and Ilo plants.

- 40% of the water captured or consumed was returned to its source for the Chilca plants and 82% for the Ilo plants.

## 5.4.2 WASTE MANAGEMENT

At ENGIE Energía Perú, our waste management is holistic and goes from minimization to final disposal. This comprehensive approach has the main objective of preventing health risks and mitigating negative environmental impacts. For this reason, we seek to implement practices that favor the reuse and recovery of waste, promoting the participation of all staff and contractors involved.

Our comprehensive waste management plan at ENGIE Energía Perú is based on Peruvian regulations and goes beyond simply establishing the management of each stage of the procedure, which includes minimization, recycling, use, segregation, color coding, storage, collection and internal transport, recovery, collection and external transport, treatment and final disposal.

In addition to addressing these critical phases, our approach extends to continuous verification through regular inspections and audits, to ensure consistency of good practices over time. To further reinforce our

commitment, we make sure to train all internal or external staff involved, and encourage awareness and participation. Likewise, we have established a comprehensive contingency plan prepared to address any eventuality and maintain the effectiveness of our waste management practices at all times.

During 2023, at our operational and corporate headquarters, 486 T of hazardous and non-hazardous waste have been disposed of, of which:

- 265 T of non-hazardous waste (common waste, metal scrap, wood, paper, cardboard, plastic, glass)
  - > 123 T recycled
  - > 46% non-hazardous waste recycling rate at all our operational locations
- 221 T of hazardous waste (used oils, waste, contaminated with hydrocarbons, chemicals, insulation waste, batteries, etc.)

> 33 T were recycled or treated according to their characteristics

> 15% hazardous waste recycling rate from all our operational headquarters

> 0 polluting substances discharged into the water

- 100% recovery of organic waste in our operating plants (Yuncan, Quitaracsa, Chilca and Ilo 21) used as composting (11 T).

Our annual recycling goal for 2023 was 30%, and a total of 32% was obtained as a final result.

	RENEWABLE POWER PLANTS				THERMAL POWER PLANTS		CORPORATE OFFICES
Waste management	Quitaracsa HPP	Yuncan HPP	Intipampa SPP	Punta Lomitas WPP	Chilca (*)	Ilo (**)	Lima
Generated waste (t)	11	15	5	1	138	311	4
Waste recycling rate	70%	42%	4%	69%	43%	26%	28%

(\*) Includes the Chilca 1 and Chilca 2 TPP

(\*\*) Includes Ilo 2 TPP, Nodo Energético Ilo 41 Thermal Power Plant, Ilo 31 TPP, Port Terminal and Moquegua Substation.

### 5.4.3. CIRCULAR ECONOMY

At ENGIE Energía Perú we seek to make the most of material resources by encouraging reuse, recycling and recovery instead of a linear approach of use and disposal. Embracing the circular economy not only minimizes waste and reduces pressure on natural resources, but also promotes efficiency and sustainability throughout our entire value chain.

During 2023 we have developed the following circular economy measures:

- Recycling of hazardous and non-hazardous waste resulting from our activity (general recycling rate of 32%)
- Recovery of organic waste from the canteens in our operating centers (Yuncan, Quitaracsa, Ilo 21).
- WEEE Recycling Campaign (waste electrical and electronic equipment) in the Lima offices, which managed to recover approximately 450 kg of waste for treatment.

### 5.4.4 AIR QUALITY MANAGEMENT

Air quality management is at the heart of our commitment to sustainability and corporate responsibility. Beyond complying with strict regulations, we recognize its direct impact on human health, the preservation of the environment and the contribution to the fight against climate change. Managing air quality is not only essential to continually improving the quality of life in the communities in which we operate, but also reflects

our commitment to responsible business practices, and building a healthier, more sustainable future for all. The results obtained conclusively reflect our unwavering commitment to preserving a healthy and safe environment. The measurements carried out do not show non-compliance with the Maximum Permissible Limits (MPL) nor do they indicate impacts derived from the emission of polluting substances into

the atmosphere. This consistency in our indicators underscores the effectiveness of our air quality management practices, and reaffirms our proactive approach toward sustainability and environmental responsibility across all of our operations.

### 5.4.5 BIODIVERSITY MANAGEMENT

At ENGIE Energía Perú we maintain our solid practices aimed at preserving biodiversity and ecosystem services in the communities surrounding our operations. Throughout the entire life cycle of our projects, we carry out permanent biodiversity conservation, recovery and remediation activities. This ongoing commitment reflects our dedication to minimizing environmental impact, contributing to the well-being of local ecosystems, and ensuring that our operations are

respectful of biodiversity and long-term sustainable.

During 2023 the following activities have been carried out:

- Semi-annual biological monitoring at the Quitaracsa, Nodo Energético and Punta Lomitas Wind Power Plants
- Monitoring the results of the translocation of individuals in the Punta Lomitas WPP
- Presentation at the National Herpetology Symposium on the Monitoring of the Herpetofauna of the Coastal Desert in the Punta Lomitas WPP (Ica, Peru)

# MAIN INDICATORS IN 2023

- **0 environmental incidents** reportable to authorities due to our activities.
- **100% PGA compliance** of all locations (1,970 actions)
- **100% compliance with the presentation** of mandatory environmental reports for authorities regarding environmental monitoring, discharges, waste disposal (139 reports)
- **100% compliance with environmental monitoring** committed to the State (665 samples)
- **Total waste generation at operational headquarters of 486 T** (440 T in 2022), with a 32% recycling rate (44% in 2022)
- **5 OEFA environmental inspection actions.** No fines or environmental sanctions have been imposed as a result of these actions.
- **SGA ISO 14001 Recertification**
- **Verification of internal control of the Income Group** (Internal Control Management and Efficiency) without observations in environmental controls.
- **Approved permits.** ITS perimeter fence of the Expansion Chilca 1 TPP (today called Chilca 2 TPP) and technological improvement of the Natural Gas Meter System of the Chilca 1 TPP







Ch. 6

# FINANCIAL RESULTS

OUR VALUE  
CREATION  
IN 2023

## 6.1 RESULTS 2023

At 2023 year-end, our energy net sales amounted to US \$671.8 millones, 21% higher compared to 2022 (US\$ 554.9 million). The gross profit of the company amounted to US\$ 111.5 million, recording a decrease of 11% compared to 2022. Similarly, the operating profit amounted to US\$ 29.6 million, 73% % lower compared to 2022 and finally, the net profit in 2023 amounted to US\$ 6.0 million, less compared to 2022 (US\$ 65.2 million).

	2023	2022	%
<b>NET SALES</b>	671.8	554.9	+21
<b>SALES COST</b>	560.3	429.9	+30
<b>ADMINISTRATION EXPENSES</b>	25.6	21.2	+23
<b>EBITDA</b>	211.7	194.3	+9
<b>INCOME TAX</b>	6.6	35.0	-81
<b>NON-RECURRING EFFECTS</b>	-54.8	0.0	n.a.
<b>NET PROFIT WITH NON-RECURRING EFFECTS</b>	60.8	65.2	-7
<b>NET PROFIT</b>	6.0	65.2	-91







## 6.2 FINANCIAL MANAGEMENT

The explanation for the main variances in the lines of the Statement of Comprehensive Income is the following:

### NET SALES

The net energy sales we recorded at 2023 amounted to US\$ 671.8 million, 21% higher compared to 2022 (US\$ 554.9 millones), , mainly explained by (i) more demand from our clients, (ii) higher net sales in COES mainly due to higher generation, (iii) higher prices of power purchase agreements indexed to natural gas (iv) the generation of the Punta Lomitas Wind Power Plant.

### SALES COST

The sales cost amounted to US\$ 560.3 million, 30% higher compared to 2022 (US\$ 429.9 millones). This increase is mainly explained by the effect of: (i) higher fuel cost due to increased consumption as a result of more thermal power generation, partially offset by the maintenance of the Treatment Plant of Natural Gas and Liquid Separation of Malvinas of Pluspetrol since July 25 to August 60 (the duration was longer than expected) and less hydrology, (ii) more net purchases in COES and, (iii) higher depreciation for the income at the

operation of the Punta Lomitas Wind Power Plant and its Expansión.

### ADMINISTRATION EXPENSES

The administration expenses in 2023 represented a total of US\$ 25.6 million, 23% higher than the expenses recorded in 2022 (US\$ 21.2 million).

### OTHER REVENUES AND OTHER EXPENSES (NET)

As of December 31, 2023, this line item amounted to US\$ 56.3 million, which was lower compared to the same period in 2022 (US\$ 5.4 million of income), mainly due to non-recurrent events as a result of the acknowledge of the deterioration of the accountant value of the generation assets according to the application of the NIC 36.

### FINANCIAL EXPENSES (NET)

Net financial expenses in 2023 (US\$ 17.5 millones) increased by 31% compared to 2022 (US\$ 13.3 million), due to (i) interests due to the loan with the IDB to finance the Punta Lomitas Wind Power Plant, compensated

partially for (ii) higher interest rates for profits in time deposits.

### INCOME TAX

The income tax expense (US\$ 6.6 million) was lower by 81% than that recorded in 2022 (US\$ 35.0 million), due mainly to non-recurrent events.

### NET PROFIT

In view of the reasons explained above and the net exchange difference effect, the net profit in 2023 was US\$ 6.0 million, in line compared to 2022 (US\$ 65.2 million).

### FINANCING AND INDEBTEDNESS

As of December 31, 2023, the financial debt amounted to US\$ 584 million, 3% lower than in December 2022 (US\$ 604 million), as detailed in note 15 to the Audited Financial Statements as of December 31, 2023.





## 6.3 DIVIDENDS

The current dividends policy sets forth the payout equivalent to thirty per cent (30%) of the available annual revenues, as determined in each year, or a higher percentage if deemed convenient. The dividend payout shall be charged to the retained earnings as of December 31, 2014, and when they run out, against the earnings obtained from January 1, 2015.

In 2023, at the Annual Shareholders' Meeting held on March 18, 2023, the payout of dividends was agreed in the amount of US\$ 26.06 millions, which is equivalent to 40% of the total net profit for 2023 ((which included the US\$ 11.27 million paid on on December 15, 2022, as approved at the Board Meeting held on November 10, 2022), against the available retained earnings as of December 31, 2014.

Moreover, at a Board Meeting held on November 6, 2023, , the Board agreed to a payout of dividends, considering the non-audited Financial Statements of ENGIE Energía Perú as of June 30, 2023 in the amount of US\$ 15.29 million, which was paid on December 14, 2023, against the retained earnings available as of December 31, 2014.

## 6.4 ORDINARY SHARES

The following table details the monthly listing of securities representing shares listed on the stock exchange.

### INFORMATION ON ORDINARY SHARES OF ENGIE ENERGÍA PERÚ

ISIN CODE	MNEMONICS	YEAR-MONTH	LISTINGS 2023 (S/)				
			OPENING	CLOSING	MAXIMUM	MINIMUM	AVERAGE PRICE
PEP702101002	ENGIEC1	2023-01	5.00	5.25	5.25	5.00	5.16
PEP702101002	ENGIEC1	2023-02	5.26	5.26	5.34	5.26	5.29
PEP702101002	ENGIEC1	2023-03	5.24	5.35	5.35	5.24	5.30
PEP702101002	ENGIEC1	2023-04	5.38	5.41	5.65	5.35	5.49
PEP702101002	ENGIEC1	2023-05	5.36	5.05	5.46	4.95	5.04
PEP702101002	ENGIEC1	2023-06	5.10	4.95	5.25	4.95	5.03
PEP702101002	ENGIEC1	2023-07	4.90	4.76	4.93	4.75	4.78
PEP702101002	ENGIEC1	2023-08	4.76	4.71	4.76	4.66	4.69
PEP702101002	ENGIEC1	2023-09	4.71	4.70	4.72	4.68	4.71
PEP702101002	ENGIEC1	2023-10	4.72	4.63	4.72	4.60	4.68
PEP702101002	ENGIEC1	2023-11	4.65	4.52	4.80	4.52	4.65
PEP702101002	ENGIEC1	2023-12	4.52	4.65	4.65	4.52	4.61





## 6.5 CORPORATE BONDS

The following table details the monthly listing of securities representing indebtedness listed on the stock exchange.

### MONTHLY LISTING OF DEBT SECURITIES OF ENGIE ENERGÍA PERÚ

ISIN CODE	MNEMONICS	YEAR-MONTH	COTIZACIONES 2023 (%)				AVERAGE PRICE
			OPENING	CLOSING	MAXIMUM	MINIMUM	
PEP70210M083	ENGIE3BC1A	2023-02	97.55	98.13	98.27	97.55	97.85
PEP70210M083	ENGIE3BC1A	2023-03	98.39	98.39	98.39	98.39	98.39
PEP70210M083	ENGIE3BC1A	2023-08	100.34	100.34	100.34	100.34	100.34
PEP70210M109	ENGIE3BC3A	2023-01	94.19	94.19	94.19	94.19	94.19
PEP70210M109	ENGIE3BC3A	2023-02	94.61	94.15	95.15	94.61	95.03
PEP70210M109	ENGIE3BC3A	2023-04	95.79	95.79	95.79	95.79	95.79
PEP70210M109	ENGIE3BC3A	2023-06	98.27	98.27	98.27	98.27	98.27
PEP70210M109	ENGIE3BC3A	2023-09	98.50	98.50	98.50	98.50	98.50
PEP70210M109	ENGIE3BC3A	2023-10	97.48	97.63	97.63	97.48	97.54
PEP70210M109	ENGIE3BC3A	2023-12	99.59	99.67	100.12	99.59	99.67
PEP70210M117	ENGIE3BC3B	2023-02	94.25	94.25	94.25	94.25	94.25
PEP70210M117	ENGIE3BC3B	2023-03	93.90	93.90	93.90	93.90	93.90
PEP70210M117	ENGIE3BC3B	2023-07	99.09	99.09	99.09	99.09	99.09



Ch. 7

# ANNEXES



# ANNEX 1



# FINANCIAL STATEMENTS

The image features a dark blue background. On the left, a horizontal bar with a teal-to-green gradient is positioned behind the text. To the right of the text, there are several large, light blue chevron shapes pointing to the right, arranged in a staggered, overlapping pattern.



**ENGIE Energía Perú S.A.**

Financial statements as of December 31, 2023 and  
2022, together with the independent auditors' report



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working world

**ENGIE Energía Perú S.A.**

**Financial statements as of December 31, 2023 and 2022, together  
with the independent auditors' report**

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## Independent auditors' report

To the Shareholders of ENGIE Energía Perú S.A.

### *Opinion*

We have audited the financial statements of ENGIE Energía Perú S.A. (hereinafter the Company), which include the statement of financial position as of December 31, 2023, and the statement of income, the statement of comprehensive income, changes in net equity and cash flows for the years then ended, as well as a summary of significant accounting policies.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, as well as its financial performance and cash flows for the years then ended, in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

### *Basis for Opinion*

We conducted our audit in accordance with National Standards on Auditing (NSA) approved for application in Peru by the Board of Deans of Public Accountants in Peru. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent" of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including the International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the I FAA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





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Miembro de Ernst & Young Global

### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### **Recognition of non-invoiced income**

*Description of the matter* Non-invoiced income for US\$ 73.8 million disclosed in note 8 represents the value of energy and capacity delivered to clients from the date of the last meter reading and the reporting date when the Company has not issued any invoice to the end client on the closing date. As of December 31, 2023, non-invoiced income represent 11% of the Company's total sales income.

These accounts receivable are calculated through a direct method, developed by the Company, taking into account the estimated consumption of clients based on the previous invoice, or the last measurement pending to the invoiced, supported on measurement tools and modeling to permit estimating income with a satisfactory degree of precision.

Volumes are measured at the mean energy price, which takes into account the category of clients and the prices agreed by the contracts for free clients.

We deem non-invoiced income to be a key audit matter as it implies a significant amount for the Company's financial statements and the sensitivity in energy volume measurements and in determining the prices for free clients.

#### **Recognition of non-invoiced income**

*How we  
addressed  
the key  
audit  
matter*

The following procedure was followed: (i) Understand the key controls that Management has in place to determine the estimation of non-invoiced income; (ii) Understand and review the assumptions by Management regarding the volume and prices used to determine the level of estimated income; (iii) Verify that the assumptions used to determine the price for invoicing of free clients are in line with the agreement and the provision of energy and capacity is reasonable; (iv) obtain the report from the regulatory agency of the Committee for Economic Operation of the National Interconnected System (COES SINAC), which was published the month following to the year-end and verify that the final energy and capacity to be invoices by the Company in the SPOT market is reasonable compared to the determination by COES SINAC, and (v) Evaluate the disclosure in the financial statements for complying with the International Financial Reporting Standards.

### **Evaluation of impairment of long-lived assets**

*Description of the  
matter*

At the closing date of the reporting period, the Company evaluates whether there is any indication that a CGU may be impaired. If such indication exists, or when an annual impairment test is required for an asset, the Company estimated the recoverable amount for such CGU.

As of December 31, 2023, the net book value of the Company's property, plant, equipment was US\$ 1,784 million. During 2023, the Company has recorded impairment on the carrying value of its property, plant, equipment in the amount of US\$ 77.7 million. Related disclosures are included in Note 4.2.6 and Note 13(f) to the financial statements.

To estimate the recoverable amount of the Cash Generating Unit (CGU), the free cash flow formula ("FCFF") is used.

A value model being used has a significant judgment and estimation with respect to the future cash flow forecasts, rate of discount and assumptions of the terminal rate of growth. The changes in certain assumptions may give rise to significant changes in the evaluation of the recoverable amount.

This matter has been deemed a key audit matter due to the level of judgment required to identify the indication of impairment and, where appropriate, estimate the anticipated cash flows and rates of discount used.



## Independent auditors' report (cont'd)

*How we  
addressed  
the key  
audit  
matter*

We obtained an understanding of the Company's management's assessment of the process for evaluating property, plant and equipment for impairment, including the process for identifying and evaluating potential indicators of impairment and reversal, as well as an understanding of the Company's review of significant assumptions, projected financial information and the methodology used to develop such estimates.

To test the estimated value in use of the Company's CGUs, we performed audit procedures that included, among others, evaluating the estimation methodology and testing the significant assumptions discussed above, as well as the underlying data used by the Company in its analysis.

Together with our specialists, we evaluated the projected financial information by comparing energy and power prices with available contract and market information and internal business plans. We also evaluate future production levels used in the calculation of impairment of long-lived assets, which are based on the CGU's useful life plans against historical estimates and results.

We engaged our valuation specialists to assist us in comparing assumptions with market data and analysts' forecasts. In addition, our valuation specialists reviewed the discount rates used, compared them to current industry and economic trends, and assessed the specific risks applied. We also performed a sensitivity analysis on the changes in the discount rates and income determination assumptions to assess any changes in the recoverable amount of the CGU's that might result from variations in these assumptions.

In addition, we evaluated the disclosure of this matter in Note 4.2.6 and Note 13(f) to the financial statements.

### *Other information included in the Company' 2023 Annual Report*

Management is responsible for the other information. The other information comprises the Annual Report required by the Superintendency of the Securities Market - SMV, and includes financial information of the Company, but does not include the financial statements and our auditor's report thereon.



## Independent auditors' report (cont'd)

Our opinion on the financial statement does not cover the other information and we do express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibility of Management for the financial statements*

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

### *Auditor's responsibilities for the audit on the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, as approved for its application in Peru by the Board of Deans of Public Accountants in Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

- misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
  - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Company's Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Company's Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Company's Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Perú,  
February 29, 2024





## Independent auditors' report (cont'd)



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Signed by:

*Tanaka, Valdivia & Asociados*

*Mayerling Zambrano*

Mayerling Zambrano  
C.P.C.C. Registry No.

23765

**ENGIE Energía Perú S.A.**

Statement of financial position  
As of December 31, 2023 and 2022

Asset	Note	12/31/2023 US\$(000)	12/31/2022 US\$(000)
<b>Current asset</b>			
Cash and cash equivalent	4.2.1 and 7	77,221	80,928
Trade accounts receivable, net	4.2.2 and 8	149,515	149,887
Other accounts receivable	4.2.2 and 9	27,069	28,232
Accounts receivable from related companies	4.2.2 and 20(b)	43	39
Inventories, net	4.2.3 and 10	117,069	102,996
Prepaid expenses	11	13,177	9,921
<b>Total current assets</b>		<b>384,094</b>	<b>372,003</b>
<b>Non-current assets</b>			
Derivative financial instruments	4.2.2 and 12 (a)	18,832	20,461
Prepaid expenses	11	51,495	57,623
Advance payments	2 (iii and iv)	30,151	23,086
Property, plant and equipment, net	4.2.4 and 13	1,784,298	1,871,516
Other assets, net	4.2.8 and 14	45,405	46,050
Intangibles assets, net		902	246
<b>Total non-current assets</b>		<b>1,931,083</b>	<b>2,018,982</b>
<b>Total assets</b>		<b>2,315,177</b>	<b>2,390,985</b>
<b>Liabilities and equity</b>			
Current liabilities			
Other financial liabilities	4.2.2 and 15 (a)	66,907	92,606
Trade accounts payable	4.2.2 and 16	77,992	71,520
Accounts payable to related companies	4.2.2 y 20(b)	1,614	1,708
Liabilities for employees' benefits	4.2.13 and 18	12,244	11,432
Income tax payable	4.2.2 and 21(b)	9,240	26,359
Other accounts payable	4.2.2 and 17	32,537	21,068
<b>Total current liabilities</b>		<b>200,534</b>	<b>224,693</b>
<b>Non-current liabilities</b>			
Provisions	4.2.12 and 19	39,690	31,917
Other financial liabilities	4.2.2 and 15 (a)	520,115	513,931
Derivative financial instruments	4.2.2 and 12 (a)	27,341	45,200
Deferred income tax liability, net	4.2.10 and 21(c)	353,792	377,306
<b>Total non-current liability</b>		<b>940,938</b>	<b>968,354</b>
<b>Total liabilities</b>		<b>1,141,472</b>	<b>1,193,047</b>
<b>Net equity</b>	22		
Issued capital		219,079	219,079
Additional capital		35,922	35,922
Legal reserves		43,816	43,816
Other equity reserves		12,554	12,707
Retained earnings		862,334	886,414
<b>Total equity</b>		<b>1,173,705</b>	<b>1,197,938</b>
<b>Total liabilities and net equity</b>		<b>2,315,177</b>	<b>2,390,985</b>

The accompanying notes are an integral part of this statement

Las notas adjuntas son parte integrante de este estado.

## ENGIE Energía Perú S.A.

### Income Statement

For the years ended December 31, 2023 and 2022

	Note	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Sales income	4.2.14 and 24	671,803	554,907
Sales cost	4.2.14 and 25	(560,328)	(429,861)
gross profit		<u>111,475</u>	<u>125,046</u>
Administration expenses	4.2.14 and 26	(25,556)	(21,192)
Other income	4.2.14 and 27	39,160	6,649
Other expenses	4.2.14 and 27	(95,440)	(1,288)
Operating profit		<u>29,639</u>	<u>109,215</u>
Financial income	4.2.14 and 28	5,493	2,300
Financial expenses	4.2.14 and 28	(31,704)	(20,640)
Exchange differences, net	32 (a)(v)	460	4,296
Profit for derivative financial instruments	4.2.2 and 12	8,723	5,004
Profit before income tax		<u>12,611</u>	<u>100,175</u>
Income tax	4.2.10 and 21(a)	(6,611)	(35,025)
Net profit		<u>6,000</u>	<u>65,150</u>
Basic and diluted earnings per common share (in US\$)	4.2.18 and 23	0.009	0.108
Weighted average number of outstanding shares		<u>601,370</u>	<u>601,370</u>
(in thousands of units)	4.2.18 and 23	601,370	601,370



**ENGIE Energía Perú S.A.**

## Statement of comprehensive income

For the years ended December 31, 2023 and 2022

	Note	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Net profit		6,000	65,150
Other comprehensive income			
Cash flow hedge	4.2.2 and 12	(217)	30,800
Income tax	4.2.10, 12 and 21(c)	64	(9,086)
		<hr/> (153)	<hr/> 21,714
Total comprehensive income of the year, net		<hr/> 5,847	<hr/> 86,864

**ENGIE Energía Perú S.A.**

Statement of changes in net equity  
For the years ended December 31, 2023 and 2022

	Issued capital US\$(000)	Addition to the capital US\$(000)	Legal reserv e US\$(000)	Other equity reserves US\$(000)	Retained earnings US\$(000)	Total US\$(000)
balances as of January 1, 2022	219,079	35,922	43,816	(9,007)	855,619	1,145,429
Net profit	-	-	-	-	65,150	65,150
Other comprehensive income, net of income tax, note 12(a)	-	-	-	21,714	-	21,714
Total comprehensive income of the year	219,079	35,922	43,816	12,707	920,769	1,232,293
Dividends declared, note 22(e)	-	-	-	-	(34,355)	(34,355)
Balances as of December 31, 2022	219,079	35,922	43,816	12,707	886,414	1,197,938
Net profit	-	-	-	-	6,000	6,000
Other comprehensive income, net of income tax, note 12(a)	-	-	-	(153)	-	(153)
Total income of the year	219,079	35,922	43,816	12,554	892,414	1,203,785
Dividends declared, note 22(e)	-	-	-	-	(30,080)	(30,080)
Balances as of December 31, 2023	219,079	35,922	43,816	12,554	862,334	1,173,705

# **ENGIE Energía Perú S.A.**

## Statement of cash flows

For the periods ended December 31, 2023 and 2022

		<b>12/31/2023</b>	<b>12/31/2022</b>
	<b>Note</b>	<b>US\$(000)</b>	<b>US\$(000)</b>
Operating activities			
Collection for sale of goods and rendering of services		1,020,633	792,843
Other cash collections related to operating activities		17,200	3,516
Collection for interests and returns		2,981	1,986
Payment to suppliers of goods and services		(731,535)	(594,066)
Payments for income tax and other taxes		(92,374)	(97,594)
Payments for interests and returns		(17,733)	(15,404)
Payments to and on behalf of employees		(35,376)	(32,855)
Right of usufruct and social contributions Yuncan	2(i)	-	(2,886)
Other cash payments related to operating activities		(585)	(32)
Cash flow and cash equivalent provided by operating activities		163,211	55,508
Investment activities			
Sale of properties, plant and equipment		174	154
Purchase of properties, plant and equipment	13(h)	(102,684)	(198,266)
Cash flow and cash equivalent used in investment activities		(102,510)	(198,112)
Financing activities			
Securing of loans		86,000	264,000
Amortization or payment of loans		(120,000)	(199,292)
Amortization of financial lease obligations	32a(iii)	-	(1,064)
Dividends		(30,408)	(34,063)
Cash flow and cash equivalents from (used in) financing activities		(64,408)	29,581
Net increase in cash and cash equivalents		(3,707)	(113,023)
Cash and cash equivalents at the beginning of the year		80,928	193,951
Cash and cash equivalents at year-end	4.2.1 y 7	77,221	80,928



## ENGIE Energía Perú S.A.

Notes to the financial statements

As of December 31, 2023 and 2022

Figures expressed in thousands of US dollars (except where otherwise indicated)

### 1. Economic activity

#### (a) Profile -

ENGIE Energía Perú S.A. (hereinafter the “Company”) is a subsidiary of International Power S.A. from Belgium, which owns 61.77% of its share capital. The Company was incorporated in Lima, Peru, on September 20, 1996. On the other hand, GDF Suez IP Luxembourg S.A.R.L. owns 100% of International Power S.A. In turn, International Power Ltd and International Power (Zebra) Limited, companies incorporated in the United Kingdom, are direct and indirect owners, respectively, of GDF Suez IP Luxembourg S.A.R.L. On the other hand, Tractebel S.A., shareholder of International Power Ltd, is a company of the ENGIE Group and holds 99.99% of the share capital of International Power Ltd. ENGIE S.A., a French company, parent company of the ENGIE Group and listed on the Paris stock exchange, owns 99.13% of Electrabel S.A.

The legal domicile of the Company, where the administrative offices are located, is Av. República de Panamá No. 3490, San Isidro, Lima, Peru.

#### (b) Economic activity -

The Company is engaged in the power generation and transmission in secondary systems, through its power generation plants located in several departments across Peru, as well as the sale of energy to distribution companies and free clients in the National Interconnected Electrical System (SEIN), of which the Company is a member.

The Company has four thermal power plants: two in the city of Moquegua (Ilo 21, Cold Reseive Ilo 31 and Nodo Energético Ilo 41) and two in Chilca (Chica 1 TPP and Chilca 2 TPP), with a rated generation capacity of 2,073 MW. The Company also has two hydroelectric power plants: the Yuncan HPP with a rated capacity of 134 MW, located in the basins of the Paucartambo and Huachón rivers, department and province of Pasco, 340 km to the northeast of the city of Lima, and the Quitaracsa HPP with a rated capacity of 114 MW, located in the province of Huaylas, department of Ancash. The Company also has a solar power plant, Intipampa, located in Pampa Lagunas in Moquegua spanning an area of 322 hectares and fitted with 138,120 photovoltaic panels, with a rated capacity of 40 MW. In June 2023, the Punta Lomitas Wind Power Plant with a rated capacity of 260 MW started commercial operation. Likewise, our Punta Lomitas Wind Power Plant Expansion entered into operation on December 24, 2023. The rated installed capacity is 36.4 MW, which will bring the total rated capacity

of the Punta Lomitas plant to 296.4 MW.

As of December 31, 2023, the total rated capacity amounted to 2,621 MW.

(c) Approval of the financial statements -

The financial statements as of December 31, 2023 have been approved for issuance by the Company's Management on February 29, 2024 and will be presented to the General Shareholders' Meeting for approval.

(d) Macroeconomic and geopolitical uncertainty -

Peru's economic outlook in the short and medium term will be marked by the post-recession statistical rebound, a challenging international environment and the authorities' ability to mitigate political noise in the eyes of the business sector. A relatively stable political context is expected.

Beginning in December 2022, tensions, protests and social unrest intensified following a change in the country's political leadership. The Company occasionally operated at reduced ratios during the first quarter of 2023. The Company resumed normal operations in March 2023. A new social protest took place on July 19, 2023 (mainly in Lima) but the Company's operations were not affected. The Company continues to monitor the situation with priority on safety and security.

## 2. Main Operation Contracts and Agreements

(i) *Usufruct Contract*

On February 16, 2004, the Company and Empresa de Generación de Energía Eléctrica del Centro S.A. (currently Activos Mineros S.A.C.) entered into, with the intervention of the Agency for Investment Promotion – PROINVERSIÓN, a 30-year Usufruct Contract for the use of the Yuncan Hydroelectric Power Plant (Yuncan HPP), as from September 7, 2005 (handover date of the Yuncan HPP).

By virtue of such contract, the Company made the following disbursements that are booked as "Right of Use" (Note 13) and are depreciating during the term of the usufruct contract:

- "Contract fee", for approximately US\$ 48,392, which was paid in full in June 2005.
- "Social contribution", for approximately US\$ 5,962, which was deposited in 2006 in a Trust Fund (now Social Fund), to be used exclusively for the execution of projects in the area of influence of the project.

Additionally, the Company has the obligation to make the following payments:

- Right of Usufruct", for approximately US\$ 105,517, which are paid in 34 half-year instalments according to the payment calendar established for year 2022. In 2022, the sum of US\$ 2,568 was paid and booked as payment on account of the financial obligation in accordance with IFRS 16. The present value of the obligations is recognized as Right of Use (Note 13) and is amortized based on the effective term of the contract.



The total amount paid under the contract is US\$ 105,517 as of December 31, 2023 and 2022, with no balance outstanding.

- "Social contribution" for approximately US\$ 13,014, which was being deposited in a Trust Fund (now Social Fund (now Social Fund) according to the established payment calendar (34 half-yearly instalments), to be exclusively used for the execution of investment projects in the area of influence of the project. During 2023, no payments were made (US\$ 318 in 2022).

The total amount paid at December 31, 2022 according to the contract is US\$ 13,014, which was paid in full in 2022, and there is no longer any amount payable at December 31, 2023.

On May 14, 2004, the Company entered into with the Peruvian Government a Guarantor Agreement, whereby the Peruvian Government guarantees the obligations that Activos Mineros S.A.C. has undertaken with respect to this Usufruct Contract.

*(iii) Contracts of the Chilca Uno Thermal Power Plant*

The Chilca Uno Thermal Power Plant, located in the district of Chilca, department of Lima, is fitted with three open-cycle natural gas turbines with a total installed capacity of approximately 560 MW, operating in open cycle, and a steam turbine with a total installed capacity of approximately 292 MW, which combined add up to a total installed capacity operating in combined cycle of 852 MW.

For the operation of this power plant, the Company entered into the following agreements:

- In October 2021, two Exclusive Natural Gas supply agreements were entered into with the Consortium of Camisea Gas Companies (Pluspetrol Perú Corporation S.A., Pluspetrol Camisea S.A., Hunt Oil Company of Perú L.L.C., SK Innovation, Sonatrach Perú Corporation S.A.C., Tecpetrol del Perú S.A.C. and Repsol Exploración Perú) for Chilca Uno thermal Power Plant and Chilca Dos thermal Power Plant and for a Maximum Daily Quantity (MDQ) for both agreements of 3,964,358.155 m3/std-day effective until January 1, 2030.
- The Company has a Daily Reserved Capacity (DRC) of 3,353,568 m3/std-day until February 1, 2024 and 1,887,705 m3/std-day until December 31, 2030 corresponding to its agreements entered into in 2007 and 2011 with company Transportadora de Gas del Perú S.A. (TGP).

- In December 2004, an Interruptible Natural Gas Transport Service agreement was entered into with Transportadora de Gas del Perú S.A. (TGP). This contract includes five (05) addenda, and is effective until February 2, 2031, and a Maximum Interruptible Capacity (MIC) per day of 1,973,017 m3/std-day.
- In July 2010, a High-Pressure Natural Gas Distribution Service agreement was entered into with Gas Natural de Lima Y Callao S.A. It includes four (4) addenda, which sets out an effective term of the agreement until December 31, 2033 and contractual firm quantities with a DRC of 3,942,315 m3/std-day and interruptible MIC per day of 163,627 m3/std-day.

(iii) *“Services Contract” - Services contract entered into with Siemens Power Generation Service Company, Ltd.*

On September 28, 2018, a new Services Contract was entered into for the inspection of minor and major maintenance to be required for the three gas generation units referred to in paragraph (ii) of this note, on a regular basis based on the production hours of each of the turbines, starting in 2018, superseding the Services Contract for the two gas generation units dated 2006 and the Service Contract for the third gas generation unit dated 2007.

This contract is effective for 15 years or the performance of the second major maintenance of each turbine performed under this new contract, whichever occurs first.

(iv) *“Program Parts, Miscellaneous Hardware and Logistics Support Contract” entered into with Siemens Power Generation, Inc.*

On September 28, 2018, a new Program Parts , Miscellaneous Hardware and Logistic Support Contract was entered for logistic support, procurement of spare parts and as per the established maintenance and the necessary labor for the erection, disassembly and effective replacement of procured parts, for the three gas turbines referred to in paragraph (ii) of this note, which supersedes the Program Parts, Miscellaneous Hardware and Logistics Support Contract for the two gas generation units dated 2006 and the Program Parts, Miscellaneous Hardware and Logistics Support Contract for the third gas generation unit dated 2007.

This contract is effective for 15 years or the execution of the second major maintenance of each turbine performed under this new contract, whichever occurs first.

In case of the contracts described in this paragraph, the prepayments made by the Company are booked in an account of Prepayments made and will be recognized as fixed assets when performing the replacement of components in accordance with the program

established in the contracts.

As of December 31, 2023, the balance of prepayments corresponding to the payment of these concepts amounts to US\$ 32,946 (US\$ 23,086 as of December 31, 2022).

(v) *Ilo 31 TPP “Cold Generation Reserve - Ilo Plant”*

On November 25, 2010, PROINVERSIÓN awarded the concession of the “Cold Generation Reserve –Ilo Plant” to the Company for the construction and operation of a dual thermal power plant located in Ilo, which aims at ensuring the availability of energy and capacity in SEIN in case of supply emergencies or operating efficiency.

In September 2013, the Ilo Generation Cold Reserve entered into commercial operation with a contracted capacity of 460 MW. Since August 2015, the plant has an effective capacity of 500 MW, approved by the Committee for Economic Operation of the National Interconnected System (COES-SINAC).

(vi) *Quitaracsa Hydroelectric Power Plant*

This project consisted in the construction of a hydroelectric power plant with a rated capacity of 114 MW, located in the district of Yauracmarca, province of Huaylas, department of Ancash. In November 2010, the “Contract of Unit Rates for the Supply and Construction of the Civil Works of the Quitaracsa Hydroelectric Power Plant” was entered into with construction company JME S.A.C.

In October 2015, the Quitaracsa Hydroelectric Power Plant entered into commercial operation, with a total rated capacity of 114 MW.

(vii) *Energy Node*

On November 29, 2013, PROINVERSIÓN’s Energy Safety Project Committee – PRO SEGURIDAD ENERGÉTICA awarded the Company the construction and operation of one of the thermal power plant of the project Nodo Energético del Sur del Perú in the international bidding conducted by PROINVERSIÓN.

The plant is a single-cycle dual plant (diesel B5 and natural gas) and operates in a first stage with diesel, and will operate with natural gas once these resources become available in the southern part of the country.

In October 2016, the Nodo Energético Thermal Power Plant No.2 Moquegua Region – Ilo Plant of ENGIE, entered into commercial operation, with a total effective capacity of 610



MW.

(viii) Intipampa Solar Power Plant

On May 17, 2016, the Company entered into with the Peruvian Government (represented by the Ministry of Energy and Mines) a concession contract, whereby it will supply to SEIN the awarded energy (108.404 GWh/year) to the Intipampa Solar Power Plant Project within the framework of the fourth electricity supply auction with renewable resources (RER) called by OSINERGMIN. By virtue of the terms of the respective agreement, ENGIE will supply the awarded energy to SEIN from the actual starting date of commercial operations.

In March 2018, the “Intipampa” Solar Power Plant started commercial operations with a rated installed capacity of 40 MW (44.54 MW in direct current).

(ix) Punta Lomitas Wind Power Plant Project

On March 3 and 14, 2021, Ministry Resolution No. 041-2021-MINEM/DM and Ministry Resolution No. 053-2021-MINEM/DM was passed, granting the Definitive Concession of Power Transmission and Definitive Concession of Power generation to perform the power generation activity with Renewable Energy Resources in the Punta Lomitas Wind Power Plant project (“Punta Lomitas Project”). On June 16, 2023, the Punta Lomitas Wind Power Plant came into commercial operation after receiving approval from the Economic Operation Committee of the International Interconnected System (COES) with a nominal installed capacity of 260 MW, two electrical substations and 60 km of transmission lines that connect the plant to the National Interconnected Electrical System (SEIN). Also, on December 24, 2023, the Punta Lomitas Wind Power Plant Expansion came into operation. The nominal installed capacity is 36.4 MW, bringing the total nominal capacity of the Punta Lomitas plant to 296.4 MW.

### 3. Operating and legal regulations governing the activities in the electrical sector

The main regulations governing the activities of the Company are:

(a) Electrical Concessions Law and the Regulation thereof -

On November 19, 1992, the Electrical Concessions Law was enacted through Decree Law No. 25844 and on February 19, 1993, the Regulation of the Law was enacted through Supreme Decree No. 009-93-EM.

Pursuant to such law, the Peruvian electrical sector is divided in three large segments: generation, transmission and distribution, to prevent more than one activity to be performed by the same company. The Peruvian electrical system is only composed of the electrical system referred to as National Interconnected System (SINAC), in addition to

some isolated electrical systems. The Company conducts its operations in the power generation segment and is a member of SINAC.

Pursuant to the Law, the operation of generation companies shall be governed by the provisions of the Committee for Economic Operation of the National Interconnected System (COESSINAC) to coordinate the operation at minimal cost, ensuring the safety of energy supply and the use of energy resources. COES-SINAC manages the capacity and energy transfers among generation companies considering the injections and withdrawals under contracts, and values such transfers on a monthly basis, as well as the compensations to the holders of transmission systems and compensations to other generation companies pursuant to the relevant regulation.

By means of Supreme Decree No. 040-2017-EM published on December 13, 2017, articles 95 and 96 of the Regulation of the Electricity Concessions Law are amended, related to the operation of the system in cases of Exceptional Situation and to the information of the generation units delivered by the agents that imply operational inflexibilities; Article 7 of the Wholesale Electricity Market Regulation is amended with respect to the allocation of costs for Operational Inflexibilities; and the Sixteenth Final Provision of the Technical Norm for the Quality of Electric Services is amended with respect to the fact that in periods of Exceptional Situation no penalties and/or compensations are applied.

(b) Law to Ensure the Efficient Development of Power Generation -

On July 23, 2006, Law No. 28832, Law to Ensure the Efficient Development of Power Generation, was enacted. The law is mainly aimed at: (i) ensuring sufficient efficient power generation to reduce the exposure of the electrical system to price volatility and risk of rationing due to energy shortages; and ensuring competitive electrical tariffs for consumers; (ii) reducing the administrative intervention in the setting of generation prices through market solutions; and (iii) promote effective competition in the generation market.

The main changes introduced by the Law are related to the participation of generation companies, distribution companies and large free clients in the short-term market, therefore including distribution companies and free clients as members of COES-SINAC, thus amending the structure of this entity. Additionally, the bidding mechanism to be followed by power distribution companies was introduced to enter into power purchase agreements with power generation companies.

Energy sales by power generation companies to power distribution companies will be at bid prices in case of Contracts resulting from Biddings or at agreed prices (with a ceiling set

by OSINERGMIN) for Contracts not resulting from Biddings. Such provision is aimed at establishing a mechanism to promote investments in new generation capacity through long-term power purchase agreements and firm prices with power distribution companies.

- (c) **Supervisory Agency of Investment in Energy and Mining -**  
By means of Law No. 26734, enacted on December 27, 1996, the Supervisory Agency of Investment in Energy and Mining (OSINERGMIN) was created to supervise the activities performed by companies in the energy and hydrocarbon sub-sectors, ensuring the quality and efficiency of the service provided to users and enforcing compliance with the obligations undertaken by the concession holders under the concession contracts, as well as the legal provisions and technical standards in force and effect, including those related to environmental protection and stewardship.

As part of its regulatory role, OSINERGMIN has the authority to pass, within its competence, general rules and standards to be applied to entities in the sector and to users.

By virtue of Supreme Decree No. 001-2010-MINAM, enacted on January 20, 2010, OSINERGMIN has transferred the environmental supervision, oversight and sanctioning role on general hydrocarbon and electricity matters to the Agency for Environmental Assessment and Enforcement (OEFA), created by Legislative Decree No. 1013 that approves the Law for the Creation, Organization and Roles of the Ministry of Environment.

- (d) **Electrical Services Quality Technical Standard -**  
By Supreme Decree No. 020-97-EM, the Electrical Services Quality Technical Standard (NTCSE) was approved, which establishes the minimum quality levels for electrical services, including public lighting, and the obligations of electrical companies and clients that operate under the framework of the Electrical Concessions Law.

The NTCSE contemplates procedures to perform measurements and establishes tolerances, assigning the responsibility for their application to OSINERGMIN, as well as the application, to electrical companies and clients, of penalties and compensations in case of infringements of tolerances of parameters established therein.

The Company's Management considers that in case of contingencies arising in connection with the non-compliance with the parameters set by the NTCSE, these will not be significant in terms of the financial statements taken as a whole.

- (e) **Law No. 31112 - Law that establishes previous control of business concentration -**



On November 18, 1997, the Law Against Anti-Monopolies and Anti-Oligopolies in the Electrical Sector, Law No. 26876, was enacted, establishing that the vertical concentrations equal to or higher than 5% or horizontal concentrations equal to or higher than 15% occurring in the power generation, transmission, and distribution activities, will have to be approved in order to prevent concentrations affecting free competition.

Subsequently, on November 19, 2019, Emergency Decree 013-2019 “Previous Control of Business Concentration Operations” was enacted to establish control of business concentration operations to promote economic efficiency in the markets to benefit consumers.

Finally, on January 7, 2021, Law No. 31112 – Law that establishes previous control of business concentration operations was passed, and on March 4, its regulation was approved by Supreme Decree No. 039-2021-PCM. Subsequently, INDECOPI approved the corresponding amendments to its Organization and Roles Regulation; and Law No. 31112 came into effect on September 14, 2021, which repealed Emergency Decree 013-2019 and Law No. 26876.

(f) Environmental Stewardship Regulations -

The Government designs and applies the necessary policies and regulations for adequate protection of the environment and the nation’s cultural heritage, and oversees the rational use of natural resources while performing activities related to power generation, transmission and distribution and hydrocarbons. To such effect, the Ministry of Energy and Mines has approved the Regulation for Environmental Protection in Electrical Activities (Supreme Decree No. 014-2019-EM) and the Regulation for Environmental Protection in Hydrocarbon Activities (Supreme Decree No. 039-2014-EM).

By Supreme Decree No. 016-2023-EM, published on September 24, 2023, approved the Regulation on Citizen Participation for Electricity Activities, which establishes the mechanisms to strengthen the rights to citizen participation of the population involved, optimize the socio-environmental management of electricity activities and promote harmonious relations between the population, the State and the owners of electricity generation, transmission and distribution activities throughout the country.

(g) Electricity Wholesale Market Regulation -

By Supreme Decree No. 026-2016-EM, the Electricity Wholesale Market Regulation was approved (EWM). The main aspects of the EWM regulations are the following: it incorporates the definition of EWM, which is composed of the short-term market (STM) and the mechanisms for allocation of supplementary services, operating non-flexibilities

and allocation of congestion income. The participants authorized to purchase in the STM are: generation companies to meet the supply contracts; distribution companies to supply their free clients, up to 10% of the maximum demand; and large users to supply up to 10% of their maximum demand.

COES will estimate the energy marginal costs and the congestion marginal costs. The Congestion Income will be allocated among the participants pursuant to the respective procedure. The participants without an A rating (A, AA or AAA) will need a security for the payment of their obligations in the EWM, and the actions by COES in case of non-compliance with their payment obligations by a participant are incorporated.

By Supreme Decree No. 033-2017-EM, published on October 2, 2017, the Electricity Wholesale Market Regulation, approved by Supreme Decree No. 026-2016-EM, came into full force and effect on January 1, 2018.

- (h) Law that Strengthens the Energy Security and Promotes the Development of the Petrochemical Pole in the South of the Country -  
Law 29970 declared the implementation of measures to strengthen the energy security of the country through the diversification of energy sources, the reduction of external dependence and the reliability of the energy supply chain of national interest.
- (i) Supreme decrees within the gas emergency framework -  
Supreme Decree 001-2008-EM, published on January 5, 2008, established the methodology whereby the additional fuel costs to be generated as a result of the partial or full gas supply interruption to power generation plants will be recognized.  
  
Supreme Decree 017-2018-EM established the rationing mechanisms in case of partial or full shortage of gas supply for the domestic market in any part of the supply chain.
- (j) Law that establishes the mechanism to ensure electricity supply for the regulated market -  
On January 3, 2008, Law No. 29179 was published, which, together with its amendments and supplements, established the mechanism to ensure the electricity supply for the regulated market. This law stipulates that the capacity and energy demand for the public electricity service without power purchase agreements to back them up (through the power supply bidding mechanisms set out in Law No. 28832, Law to ensure the efficiency development of power generation, and/or the bilateral contract entered into by virtue of Law No. 25844, Electrical Concessions Law), will be borne by the generation companies pursuant to the procedure to be established by OSINERGMIN.

To this effect, the missing amount to close the energy transfers in COES, due to the capacity and energy withdrawals without contract at busbar prices of the regulated market, will be allocated by COES-SINAC to the generation companies in proportion to their annual efficient firm energy, less their energy sales under contracts. Failure to pay by the distribution companies to generation companies will be grounds for termination of the concession in case of recurrence.

(k) Supreme Decree N° 016-2000-EM -

Supreme Decree No. 043-2017-EM, published on December 28, 2017, amended article 5 of Supreme Decree No. 016-2000-EM, stipulating that generation companies using natural gas as fuel shall declare the gas price once a year with effective date on July 1. COES verifies that the declared value is, at least, results from applying a formula considering the Contractual Daily Quantity, the specific consumption, take or pay contracts and the natural gas supply price without including transport and distribution. Through Public Action Ruling No.28315-2019, published on the official gazette El Peruano, on September 21, 2020, the Ministry of Energy and Mines commissioned the Committee for Economic Operation of the National Interconnected System – COES, to submit to OSINERGMIN the proposed amendment of technical procedures related to the provision of information on gas supply, transportation and distribution costs, as well as the determination of variable costs of thermal power generation units running on natural gas. With Resolution of the Directive Council No. 092-2021-OS/CD, OSINERGMIN approved the amendment of Technical Procedure COES No. 31 “Calculation of Variable Costs of Generation Units”, treating fixed gas costs as variable, establishing the total cost of the supply chain as variable costs for the plants running on natural gas (variable costs and fixed costs). Pursuant to this regulation, information is to be submitted regarding the natural gas price on a monthly basis until the 20th day of each month.

(l) Supreme Decree No. 032-2017-EM that suspends the implementation of the Secondary Natural Gas Market Regulation -

Supreme Decree No. 032-2017-EM, published on September 30, 2017, suspended the implementation of the Natural Gas Secondary Market Regulation approved by Supreme Decree No. 046-2010-EM until December 31, 2018. During this period, the operations in the Secondary Market may be performed under bilateral contracts. The suspension was subsequently extended until December 31, 2019, then until December 31, 2020, and finally until June 30, 2021.

Subsequently, with Supreme Decree No. 012-2021-EM, the Regulation to Optimize the Use of Natural Gas was approved and the Natural Gas Manager was created, the purpose of which is to promote the efficient use of natural gas in economic activities in order to foster



competitive markets. This regulation also established that the General Hydrocarbons Bureau should approve the operating procedures of the Secondary Gas Market, and in the meantime the operations in the Secondary Market are to be conducted through bilateral agreements. On December 23, 2022, one of the procedures corresponding to the “Operating Procedure for Transfer of Information on the Natural Gas Market” was approved.

(m) Legislative Decree No. 1002 “Promotion of Investment for Electricity Generation with Renewable Energies” -

Legislative Decree No. 1002, published on November 13, 2010, is aimed at promoting the use of Renewable Energy Resources (RER) to improve the quality of life of the population and protect the environment, through the promotion of investment on electricity production.

(n) Legislative Decree No. 1221 promoting Distributed Generation for users with equipment for generation with nonconventional renewable energy or co-generation.

(o) Framework Law on Climate Change -

28245, Framework Law on the National Environmental Management System, the National Environmental Policy, approved by Supreme Decree 012-2009-MINAM and the United Nations Framework Convention on Climate Change, approved by Legislative Resolution 26185. The Framework Law is aimed at establishing the general principles to execute, assess, and communicate public policies for the comprehensive management of adaptation and mitigation measures concerning climate change, seizing the opportunities of low carbon growth and uphold the international commitments undertaken by the Government before the United National Framework Convention. With Supreme Decree No. 013-2019-MINAM, the regulation was approved.

In addition, Supreme Decree No. 003-2022-MINAM was published on January 25, 2022, declaring climate emergency of national interest in order to executed, as a matter of urgency, measures to implement actions according to the provisions set out in the Determinative Contributions at the National Level by 2030.

(p) Recognition of Firm Capacity to plants with renewable energy resources, resolution 144-2019-OS/ CD

OSINERGMIN’s resolution amends Technical Procedure No.26 of COES “Firm Capacity Calculation”. Such parameters are used to determine the capacity revenues of generation companies in COES, as well as the contracting level they are allowed to reach. From September 2019, the Firm Capacity for plants with renewable resources using wind, solar or tidal technologies (prior to the amendment it was zero), will be determined considering the historical energy production in peak hours of the system.

- (q) Operating inflexibilities Resolution No. 161-2019-OS/ CD:  
It was published on October 1, 2019, pursuant to the provisions set out in Supreme Decree No. 040-2017-EM. The purpose of this regulation is to provide information on Operating Inflexibilities in order to carry out supervision and oversight actions regarding the parameters reported by generation companies in SEIN.
- (r) Efficient use of natural gas transport capacity, Supreme Decree No. 003-2021-EM  
Supreme Decree No. 003-2021-EM that Improves the Efficient Use of Gas Transport Capacity for Thermal Power Generation with Camisea Gas and Payment of Firm Capacity” was enacted on January 30, 2021. This regulation defines a Reference Contracting Factor (FRC) of the Daily Reserved Quantity of natural gas transport agreements per type of technology, which provides flexibility to thermal power generators running on natural gas, while ensuring the transport availability for the set of generators. With Resolution of the Directive Council No. 096-2021-OS/ CD, OSINERGMIN approved the effective FRC value for the period June 1, 2021 to April 30, 2025, as well as the amendment of Technical Procedure No. 25 “Determination of Unavailability, Presence and incentive to availability of Plants and Generation Units” for the application of the FRC.
- (s) On May 1, 2021, Ministry Resolution No. 130-2021-MINEM/DM was enacted, which sets the Reserve Margin values of the National Interconnected Electrical System for the period between May 2021 to April 2025.
- (t) On May 7, 2021, Ministry Resolution No. 153-2021-MINEM/DM was enacted, which sets the Peak Hours of SEIN between 17:00 and 23:00 hours, for evaluation of the unavailability of generation units referred to in paragraph e) of article 110 of the Regulation of the Electrical Concessions Law. This resolution will be in effect between September 1, 2021 and December 31, 2025.
- (u) Supreme Decree No. 030-2021-MINAM was enacted on October 30, 2021, which approved the Maximum Permissible Limits (MPL) for atmospheric emissions of thermal power generation activities.
- (v) On September 2, 2022, OSINERGMIN approved the amendment to Technical Procedure COES No. 34, where the calculation of the variable maintenance cost that is part of the total variable cost of the thermal power generation units and establishes a maximum term of 5 months to submit the supporting reports to COES, which will be approved by COES within a maximum term of 10 months from the date of publication of the technical procedure.

- (w) On November 23, 2022, the Regulation on Archaeological Interventions was approved, which includes the authorization of archaeological interventions, the certification of non-existence of archaeological remains on the surface (CIRAS), the management of movable cultural materials recovered in archaeological interventions and the export of archaeological samples for scientific research purposes.

## 4. Main accounting principles and practices

### 4.1 Basis of preparation and presentation

These financial statements have been prepared by the Company in accordance with the Financial Reporting Regulation of the Securities Market Superintendency (SMV).

The accompanying financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (hereinafter IFRS), issued by the Accounting Standards Board (hereinafter IASB) and in force and effect as of December 31, 2023.

The information contained in the accompanying financial statement is the responsibility of the Company's Management, who expressly represent that the principles and criteria included in the International Financial Reporting Standards issued by the IASB and in force and effect as of the date of the financial statements were applied in full.

The financial statements have been prepared on the historical cost basis, based on the accounting records maintained by the Company, except for the derivative financial instruments, which were booked at fair value. The financial statements are presented in United States dollars (US\$) and all figures are rounded to the thousands, except where otherwise specified.

Note 5 includes information on the significant accounting judgments and estimates used by Management for the preparation of the accompanying financial statements.

### 4.2 Summary of significant accounting judgments and practices

#### 4.2.1 Cash and cash equivalents

The cash and cash equivalent of the statement of financial position includes cash in hand and banks and term deposits with original maturity of less than three months.

#### 4.2.2 Financial instruments: initial recognition and subsequent measurement

- (i) Financial assets  
Initial recognition and measurement



Financial assets are classified, at the time of their initial recognition, as measured at amortized cost, at fair value with changes in other comprehensive income and at fair value through profit or loss.

The Company's financial assets include cash and cash equivalents, commercial accounts receivable, accounts payable to related companies and other accounts receivable.

#### Subsequent measurement

For subsequent measurement purposes, financial assets are classified under the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value with changes in other comprehensive income through accrued profit and loss (debt instruments);
- Financial assets at fair value with changes in other comprehensive income not transferred to profit and loss when written off (equity instruments); and
- Financial assets at fair value through profit or loss.

The classification depends on the Company's business model and the contractual terms of cash flows.

#### *Financial assets at amortized cost (debt instruments)*

The Company measures financial assets at amortized costs when the following conditions are met:

- The financial asset is kept to maintain financial assets to collect contractual cash flows and not to sell or negotiate; and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of the principal and interests on the amount of the outstanding principal.

Financial assets at amortized costs are subsequently measured using the effective interest rate method and are subject to impairment. Any gain or loss are recognized from derecognition, modification or impairment is recognized in the income statement.

The financial assets are not reclassified after the initial recognition, unless the

Company changes the business model to the financial asset management. This category includes cash and cash equivalents, trade accounts receivable, accounts receivable to related companies and other accounts receivable.

*Financial assets at fair value with changes in other comprehensive income (debt instruments)*

The Company measures debt instruments at fair value with changes in other comprehensive income if both of the following conditions are met:

- the asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows and then sell them; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are only payments of the principal and interests on the amount of the outstanding principal.

The Company does not hold any debt instrument under this category.

*Financial assets at fair value with changes in other comprehensive income (equity instruments)*

Upon recognition, the Company can choose to irrevocably classify their equity instruments as equity instruments at fair value with changes in other comprehensive income when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial instruments are never transferred to profit or loss. Dividends are recognized as other income in the income statement when the right of payments has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are booked in other comprehensive income. The equity instruments at fair value in other comprehensive income are not subject to impairment assessment.

The Company does not hold any financial instrument under this category.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held to trade, financial assets designated at the time of initial recognition at fair

value through profit or loss, or financial assets that need to be measured at fair value. Financial assets are classified as held for trading if they are purchased to be sold or repurchased in the short term. Derivatives are classified as held for trading unless they are designated as effective hedge instruments. Financial assets with cash flows that are not only payments of the principal and interests are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets through profit or loss are booked in the statement of financial position at fair value, and the net changes at such fair value are presented as financial costs (net negative changes in the fair value) or financial income (net positive changes in the fair value) in the statement of comprehensive income.

The Company does not have investments classified as financial assets at fair value through profit or loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized, i.e., is eliminated from the statement of financial position, when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred the rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a -pass-through- arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, the Company evaluates whether it has retained, and to which extent, the risks and rewards of the asset. When the Company has neither transferred nor retained substantially all the risks and rewards of the asset not transferred control thereof, the Company continues to recognize the transferred asset. In this case, the Company also recognizes the related liability. The transferred asset and the related liability are measures so as to reflect the rights and obligations retained by the Company.



Continued involvement that takes the form of a guarantee over the transferred asset is measured at the lowest amount between the asset's original carrying amount and the maximum compensation value that the Company is required to pay.

#### Impairment of financial assets

The Company recognizes an allowance for impairment with an expected credit loss model (ECL) for all debt instruments not held at fair value through profit or loss. The ECL is determined as the difference between the contractual cash flows expiring in accordance with the contract and all cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collaterals held or other guarantees received.

ECL is recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating the ECL and performs the analysis of the client portfolio it manages, monitoring whether there are significant changes in credit risks. Based on such assessment, it recognizes an allowance for impairment based on the lifetime ECL at each reporting date. The Company has established a provision matrix that is based on a credit evaluation of each client in its portfolio, adjusted for accounts receivable with credit insurance, as well as forward-looking factors specific to the debtors and the economic environment.

The Company has defined the simplified general approach, determining the expected credit losses during a period corresponding to the entire life of accounts receivable. For trade receivables, the Company applies an approach based on the grouping of accounts receivable in specific groups, taking into consideration the regulatory context and economic environment. Only if trade

receivables are deemed individually significant by the administration and there is specific information on any significant increase in credit risk, the Company applies an analytical approach.

For the evaluation of trade receivables, they are grouped based on the characteristics of the credit risk and expired information, considering a specific default definition.

The Company considers that a financial asset is in default when contractual payments are 360 days past due. However, in some cases, the Company may consider that a financial asset is in default when internal or external information indicates that it is unlikely that the Company receives the contractual amounts owed before the Company enforces the guarantees received. A financial asset is derecognized when there is no reasonable expectation of recovering contractual cash flows.

(ii) Financial liabilities

Financial liabilities are classified at the time of initial recognition as financial liabilities at fair value through profit or loss, loans, accounts payable, or as derivatives designated as hedge instruments in an effective hedge, as applicable.

All financial liabilities are initially recognized by their fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, payables to related companies, other payables and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, trading derivative financial instruments and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term; gains or losses on liabilities held for

trading are recognized in the statement of profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition if the criteria in IFRS 9 are satisfied.

The Company has not classified any financial liability at fair value through profit or loss as of December 31, 2023 and 2022.

#### *Interest-bearing debts and loans*

This is the most significant category for the Company. After their initial recognition, debts and loans are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process applying the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is included as finance costs in the statement of comprehensive income.

This category includes trade payables, payables to related companies, other payables and other financial liabilities.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expired. When an existing financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount is recognized in the income statement.

#### **(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities



simultaneously.

(iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value accounting hierarchy described as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for recurring and nonrecurring fair value measurements.

At each reporting date, the Management analyzes the changes in the values of the assets and liabilities that must be measured or determined on a recurring and nonrecurring basis according to the Company's accounting policies. For this analysis, Management contrasts the main variables used in the latest assessments made with updated information available from valuations included in contracts and other relevant documents.

Management also compares the changes in the fair value of each asset and liability with the relevant external sources to determine whether the change is reasonable.

For the purposes of disclosure of fair value, the Company has determined classes of assets and liabilities based on the inherent nature, characteristics and risks of each asset and liability, and the level of the fair value accounting hierarchy as explained above.

#### 4.2.3 Inventories

Inventories are composed of materials and supplies valued at the lower of cost or net realizable value, net of the estimate for impairment.

Cost is determined based on a weighted average cost method, except for coal and materials and supplies to be received, which are recognized at the specific purchase cost. The net realizable value is the estimated selling price in the ordinary course of business, net of the costs incurred to bring inventories into sale condition and trading and distribution expenses.

#### 4.2.4 Properties, plant and equipment

“Property, plant and equipment, net” is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price or manufacturing cost, including tariffs and non-reimbursable purchase taxes and any costs necessary for bringing the asset into operation, the initial estimate of the rehabilitation obligation and the financing costs for long-term construction projects, to the extent that recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Similarly, when major inspection is performed, its cost is recognized as a replacement if the recognition criteria are satisfied. All other routine maintenance and repair costs are recognized as an expense in the income statement in the period as they are incurred.

The present value of the estimated cost of dismantling the asset after usage is included in the cost of such asset, insofar as the requirements for the recognition of the respective provision are satisfied.

An item of property, plant and equipment of a significant part thereof is derecognized upon disposal or when no future economic rewards are expected from its use or disposal. Any gain or loss arising out of the derecognition of the fixed asset (estimated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of comprehensive income in the year when the asset is derecognized.

The residual value, useful life and methods of depreciation are reviewed and adjusted, where appropriate, at year end.

Work in progress includes payments for asset construction, financing costs, and other direct costs attributable to such work, accrued during the construction phase. Work in progress is capitalized when completed and depreciation is calculated since the moment the asset is available for usage.

The criteria to capitalize financial costs and other direct expenses are:

- Borrowing costs which are directly attributable to the procurement, construction or production of qualifying assets, which require a substantial period of time to get ready for its intended use, e. g. power generation



facilities, are capitalized as part of the respective asset. The interest rate applied corresponds to the specific financing of the Company in terms of the investment made.

- To capitalize direct expenses of personnel, the Company identified each of the areas engaged in the planning, execution and management of works, applied to the cost of employees in such areas.

Depreciation is calculated using the straight-line method over the estimated useful life of the assets, represented by equivalent depreciation rates.

The method of depreciation used is the straight-line method with which the company is expected to recover future economic benefits from the asset. In 2021, the Company conducted the evaluation of the method of depreciation assigned to the assets related to the Nodo Energético Thermal Power Plant – Ilo Plant (Note 2 (vii)), and due to a change in the premises, the time elapses and the fact that operation was not continuous due to gas non-availability in the southern part of the country, the method of depreciation is deemed to be straight-line method, which best adjusts to the condition of the NEPI assets, and reflects the natural wear effect of assets. The change of the method of depreciation is made from 2021.

Annual depreciation is recognized as expense or cost of another asset, and is estimated considering the following useful lives estimated for different areas:

	<b>Between (Years)</b>
Buildings and other constructions	10 – 80
Machinery and equipment	3 – 33
Transport units	5 – 17
Furniture and fixtures	5 – 12
Other equipment	4 – 15

#### 4.2.5 Lease

The Company evaluates at the beginning of a contract whether it is or contains a lease, i.e., if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration.

As lessee -

The Company applies a single method of recognition and measurement for all leases, with the exemption of short-term leases and low value asset leases. The

Company recognizes as lease liabilities the payments to be made for the lease and as the right to use the underlying assets.

(a) Right-of-use assets -

The Company recognizes the assets for right of use on the start date of the lease (that is, the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less, any accumulated depreciation and impairment losses, and are adjusted for any new measurement of lease liabilities. The cost of the assets with the right to use includes the amount of the recognized lease liabilities, the initial direct costs incurred, and the lease payment made on or before the start date, less the lease incentives received. The assets recognized by right of use are depreciated in a straight line during the shortest period of their estimated useful life and the term of the lease, as follows:

	<b>Between (years)</b>
Buildings and other constructions	2 – 30
Transport units	5

If the ownership of the leased asset is transferred to the Company at the end of the lease term or if the cost of the asset reflects the exercise of a purchase option, the depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment tests.

(b) Lease liabilities -

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the price of a purchase option that the Company can reasonably exercise and penalty payments for terminating a lease, if the lease term reflects that the Company exercises the option to terminate.

Variable lease payments that do not depend on an index or a rate are

recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental interest rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes in future payments results from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in "Other financial liabilities".

- (c) Short-term leases and leases of low-value assets - The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment, IT equipment that are considered to be low value. Lease payments of short term leases and leases of low-value assets are recognized as expenses over the lease term on a straight-line basis.

As a consequence, the Company does not recognize right-of-use assets and lease liabilities for short-term leases of machinery and equipment with a lease term of 12 months or less, and low-value assets, including IT equipment, minor equipment, such as pumps and ventilators. The Company recognizes lease payments associated with these lease contracts as an expense over the lease term on a straight-line basis.

#### Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The rate therefore reflects what the Company 'would have to pay', which required estimation when no observable rates are available or when they



need to be adjusted to reflect the terms and conditions of the lease (e.g. when the leases are not in the functional currency).

The Company estimates the incremental rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates, such as the entity's stand-alone credit rating, the bank margins for this type of borrowing, etc

Determination of the lease term for lease agreements with renewal and termination options.

The Company determines the lease term as the non-cancellable term of a lease, along with:

- Any periods covered by an option to extend the lease if it is reasonably certain to be exercised; and
- Any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease agreements that include extension and termination options. The Company evaluates whether it will exercise with reasonable certainty an option to extend the lease, or will not exercise an option to terminate a lease, and considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease or not exercise the option to terminate the lease. After the commencement date, the Company reevaluates the lease term if there is a significant event or a change in the circumstances under its control affecting its capacity to exercise or not exercise the option to renew or terminate the lease.

The Company included the extension period as part of the lease term for the leases of plant and machinery with a shorter non-cancellable term (i.e. from three to five years).

The Company generally exercises its option to renew for these leases because failing to do so would generate a negative effect on its production since the replacement of the asset is not readily available. The renewal terms for plant and machinery leases with longer non-cancellable terms (i.e. from 10 to 15 years) are not included as part of the lease term as it is not reasonably certain that the option to extend the lease will be exercised. Additionally, the options to renew vehicle leases are not included as part of the lease term as the Company's policy is not to lease vehicles for

more than five years and, therefore, no option to renew is exercised. The terms covered by the options to terminate the lease are included as part of the lease term only when it is reasonably certain that they will not be exercised.

In Management's opinion, these estimates were made on the basis of their better knowledge of the relevant facts and circumstances at the date of preparation of these financial statements; however, final results may differ from estimates included therein. The Company's Management expects that variations, if any, will not have a significant effect on the financial statements.

#### 4.2.6 Impairment of long-lived (non-financial) assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, or if the annual impairment test needs to be performed, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of an asset's fair value less the costs to sell or its value in use, whether for an asset or a cash generating unit when an asset does not generate cash flows substantially separate from those of other assets or group of assets.

If the carrying value of an asset or cash generating unit is higher than the recoverable amount, the asset is deemed to be impaired and the value is reduced to its recoverable amount. When determining value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are confirmed by valuation multiples, quoted share prices for publicly traded subsidiaries and other available fair value indicators.

For long-lived assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses for an asset may have decreased or may no longer exist. If such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit. A previously recognized loss on impairment is reversed only when the estimates on the basis of which the recoverable amount of the asset was determined have changed since the last time the loss on impairment was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed

the carrying amount that would have been determined, net of depreciation, had no loss on impairment been recognized for the asset in prior years. Such reversal is recognized in the income statement.

As of December 31, 2023, the Company maintains a balance of provision for impairments of its long-lived assets related to Ilo 1 TPP and Ilo 21 TPP, note 13(a).

#### 4.2.7 Provision for plant dismantling

Dismantling liabilities are recognized when the Company is required to dismantle and remove facilities to reclaim the site where they are located, and when the liability can be reasonably estimated. The cost for dismantling and removal are provisioned at present value of the expected costs to cancel the obligation, using estimated cash flows, and are recognized as an integral part of the cost of such assets. Cash flows are discounted at a current pre-tax market rate to reflect the specific risks of the liability. The update of the liability is carried as an expense when incurred and is recognized in the income statement as a financial cost. Estimated future costs for dismantling and removal are reviewed on a yearly basis and adjusted as applicable. The changes in these estimated future costs or discount rate used are added to or deducted from the costs of the related asset. As of December 31, 2023, the Company has recognized provisions for dismantling of all its generation plants, note 19.

#### 4.2.8 Other assets

These assets are mainly composed of the construction of the Quitaracsa Hydroelectric Power Plant access road and other completed projects, which are recognized at costs and presented net of accumulated amortization. The amortization is determined on a straight-line method based on the estimated useful life of the asset for periods ranging from 1 and 80 years.

#### 4.2.9 Income tax

Current portion of the income tax.

El impuesto a las ganancias para el período corriente se calcula por el monto que se espera será recuperado o pagado a las autoridades tributarias. Las normas legales y tasas usadas para calcular los importes por pagar son las que están vigentes en la fecha del estado de situación financiera.

Porción diferida del impuesto a las ganancias

The income tax for the current year is calculated according to the amount expected to be recovered from or paid to tax authorities. Legal regulations and tax rates used to estimate the amounts payable are those in force at the date of the statement of



financial position.

Deferred liabilities are recognized for all taxable temporary differences.

Deferred assets are recognized for all deductible differences and tax loss carryforwards, to the extent that it is likely that taxable income against which to offset the deductible temporary differences and carryforwards can use the tax losses. The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and is reduced to the extent that it is unlikely that sufficient taxable profits against which to offset all or part of the deferred asset. Unrecognized deferred tax assets are reviewed at each date of the statement of financial position.

The carrying amount of deferred tax assets and liabilities may change even if there are no changes in the amount of the corresponding temporary differences. This may be caused by a change in tax rates or fiscal laws. In this case, the resulting deferred tax will be recognized in the income statement except for the deferred tax related to items not recognized previously in the statement of comprehensive income.

Income tax deferred assets and liabilities are offset if there is legal right to offset and are related to the same taxable entity and the same tax authority.

#### 4.2.10 Contingencies

Contingent liabilities are recognized in the financial statements when it is probable that they will occur, and the amount of the liabilities can be reasonably estimated. Possible contingencies are not recognized in the financial statements. These are disclosed in notes to the financial statements, except when the likelihood of cash outflows is considered remote.

Contingent assets are not recognized in the financial statements, but are disclosed in the notes when the degree of contingency is probable.

#### 4.2.11 Provisions

A provision is only recognized when the Company has a present obligation (legal or implicit) as a result of a past event, if it is probable that settling the obligation will result in an outflow of resources, and when a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the best estimate at the date of the statement of financial position. The expense related to a provision is shown in the income statement. When the effect of time is significant, provisions are discounted using a rate to reflect the specific risks related to the liability. When the discount is made, the increase in the provision for the

passing of time is recognized as a financial expense.

#### 4.2.12 Employee benefits

The Company has short-term obligations for employee benefits including salaries, social benefits, legal bonuses, performance bonuses and profit sharing. These obligations are monthly recorded in the income statement on an accrual basis.

According to regulations, employees' profit sharing is calculated on the same basis used by the Company to calculate the current income tax, and is recognized in the income statement in "Sales cost" and "Administration expenses", as applicable.

#### 4.2.13 Recognition of revenues and costs

Revenues are recognized upon fulfillment of a performance obligation through the transfer of committed goods and services to the client. An asset is transferred when the client obtains control over such asset.

Revenues will be recognized based on the transaction price allocated to such performance obligation, to which the Company expects to be entitled in exchange for transferring the committed goods and services to the client, excluding the amounts collected on behalf of third parties.

The consideration promised in a contract may include fixed amounts, variable amounts or both.

In the case of the Company, the following specific criteria must be satisfied for the recognition of revenues:

- Revenues for energy and capacity sales are invoiced monthly based on cyclic readings, and are fully recognized in the period where the service is rendered. The revenues for energy and capacity delivered and not invoiced, which are generated between the last cyclic reading and the end of the month, are included in the invoice of the following month, but are recognized as revenues in the corresponding month based on the estimates of energy consumed by the service user during the respective period.
- Revenues for interests are recognized in proportion to the time elapsed, using the effective interest method. Interests earned are included in financial revenues in the statement of comprehensive income.
- All other revenues are recognized on an accrual basis.

#### Costs and expenses

Costs and expenses are recognized on an accrual basis, except for construction costs, and are recorded in the corresponding period.

#### 4.2.14 Transaction in foreign currency

##### Functional currency and reporting currency

The items included in the financial statements of the Company are stated in United States Dollars, which is the functional and reporting currency of the Company.

##### Transactions and balances in foreign currency

Foreign currency transactions are those made in a currency different from the functional currency. Transactions in foreign currency are initially recorded in the functional currency at the exchange rate in force at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are then translated to the functional currency at the exchange rate at the date of the statement of financial position. Gains or losses due to the exchange rate resulting from the settlement of such transactions and the translation of monetary assets and liabilities in foreign currency at the year-end exchange rate are recognized in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rates as of the date of the transaction.

#### 4.2.15 Classification of current and non-current balances

In the statement of financial position, balances are classified according to their maturities, i.e., current balances are those with maturities equal to or less than twelve months, and non-current balances are those with maturities exceeding such period.

In case of obligations with maturities of less than twelve months, but with long-term financing secured at the discretion of the Company through unconditional available credit agreements with long-term maturities, they may be classified as non-current liabilities.

#### 4.2.16 Basic and diluted earnings per share

The basic and diluted earnings per share have been calculated based on the weighted average number of ordinary shares in issue at the date of the statement of financial position.

As of December 31, 2023 and 2022, the Company does not have financial instruments with diluted effect, and therefore the basic and diluted earnings per



share are the same for reported years.

#### 4.2.17 Subsequent events

Subsequent events at the end of the period that provide information about the financial position of the Company at the date of the statement of financial position (adjusting events) are included in the financial statements. Significant subsequent events, that are not adjusting events, are disclosed in the notes to the financial statements.

#### 4.2.18 Segments

A business segment is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of a company that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of the components operating in other economic environments. Companies should consider their organizational and management structure, as well as their financial reporting systems to identify their segments.

The only segments of the Company are energy sales and the rendering of services.

### 5. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions to determine the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of financial statements, as well as the reported amounts of income and expenses as of December 31, 2023 and 2022.

The most significant estimated considered by Management regarding financial statements are basically related to:

- (i) Estimate of the useful life of assets and dismantling - notes 4.2.4, 4.2.7 and 4.2.8 The accounting treatment of investments on property, plant and equipment and intangible assets requires making estimates to determine the useful lives for depreciation and amortization purposes. The determination of useful lives requires estimates regarding the expected technological evolution and alternative use of assets. The hypothesis regarding the technological framework and future development implies a significant judgment as the timing and nature of future technological changes are hard to predict.

The accounting treatment of the dismantling provision is recognized when the Company has the obligation to dismantle and remove facilities to reclaim the site where it is located, and when a reasonable estimate of the liability can be made.

(ii) Current and deferred income tax – note 4.2.10 and note 21

There are different interpretations of tax standards, uncertainty on the changes in tax laws and on the determination of taxable income. The differences arising between actual income and formulated hypotheses, or future changes in such assumptions, may require future adjustments to recorded tax income and expenses.

The Company establishes provisions based on reasonable estimates. The scope of these provisions is based on several factors, including the Company's past experience with previous audits and different interpretations of tax regulations and competent tax authority.

Deferred tax assets, including those generated from unused tax losses, requires Management to assess the probability that the Company will generate sufficient taxable income in future periods to use the deferred tax assets recognized. Assumptions about the generation of future taxable income are based on operating cash flows forecasts and judgments about the application of tax laws in force and effect.

To the extent that future cash flows and taxable income significantly differ from estimates, it could affect the ability of the Company to realize the net deferred tax assets recorded at the reporting date

(iii) Contingencies – note 4.2.11 and note 30.

Given their nature, contingencies will only be settled when one or more future events occur or cease to occur. The determination of the existence and potential number of contingencies inherently involves the exercise of significant judgment and use of estimates on the results of future events.

(iv) Determination of the lease term of agreement with renewal and termination options – Group as a lessee – note 4.2.5

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise such option, or any period covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option.

The Company exercises judgment when assessing whether it is reasonably certain to

exercise or not the option to renew or terminate the lease. In other words, it considers all relevant factors that create an economic incentive for the Company to exercise the renewal or termination.

The Company generally exercises its option to renew leases of property, plant and equipment because there will be no significant negative effect on the production if a replacement asset is not readily available. Renewal lease periods of property, plant and equipment with longer noncancellable periods (i.e., from 10 to 15 years) are not included as part of the lease term, as they cannot be reasonably exercised. Additionally, the periods covered by the termination options are included as part of the lease term only when the Company is reasonably certain that they will not be exercised.

(v) Impairment of non-financial assets - note 4.2.6

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less the sales costs is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposal of the asset. The calculation of the value in use is based on a discounted cash flow model. The cash flows are derived from the budget for the next few years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

These estimates are most relevant to goodwill and other intangible assets with indefinite useful lives recognized by the Company.

The Company has determined a single cash generating unit, which is composed of all the plants it operates.

6. New accounting standards not yet effective

Certain standards and amendments have become effective as of January 1, 2023; however, they have not had an impact on the Company's financial statements and, therefore, have not been disclosed. The Company has not early adopted any standards, interpretations or amendments that have been issued and are not yet effective.

Standards and interpretations published not yet effective

The relevant standards and interpretations applicable to the Company, in issue but not yet



effective as at the date of issuance of these Company's financial statements, are described below. The Company intends to adopt these standards and interpretations, where applicable, when they will come into force and effect.

- *Amendments to IFRS 16: Lease liability in a sale and leaseback transaction* - In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses when measuring the lease liability arising on a sale and leaseback transaction to ensure that the seller-lessee does not recognize any amount of gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and should be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The amendments are not expected to have a material impact on the Company's financial statements.
- *Amendments to IAS 1: Classification of liabilities as current and noncurrent* - In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement?
  - That a right to defer must exist at the end of the reporting period to be able to classify liabilities as non-current.
  - That classification of current or non-current is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on the fulfillment of future obligations within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and should be applied retrospectively. The amendments are not expected to have a material impact on the Company's financial statements.

- *Supplier Financing Arrangements - Amendments to IAS 7 and IFRS 7* - In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of vendor financing arrangements and require additional disclosures about such arrangements. The disclosure requirements in the amendments are intended to help users of financial statements understand the effects of vendor financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting

periods beginning on or after January 1, 2024. Early adoption is permitted, but will require disclosure. The amendments are not expected to have a material impact on the Company's financial statements.

## 7. Cash and cash equivalent

(a) A breakdown of this heading is given below:

	31/12/2023	31/12/2022
	US\$(000)	US\$(000)
Cash	10	10
Current accounts (b)	37,211	80,918
Time deposits (c)	40,000	-
	<hr/>	
Total	77,221	80,928
	<hr/>	

(b) As of December 31, 2023 and 2022, the Company maintains its current accounts in soles and US dollars. The funds are freely disposable, and are deposited in local banks with adequate risk rating and accrue interests at market rates.

(c) As of December 31, 2023, the Company maintains short-term deposits in US dollars, freely disposable and deposited in local banks with adequate risk rating and accrue interests at effective annual rates ranging from 4.20% to 5.37% %, with original maturities equal to or less than 90 days.

## 8. Trade accounts receivable, net

(a) A breakdown of this heading is given below:

	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Invoices	78,548	100,460
Delivered energy and capacity not invoiced (c)	73,767	51,126
	<hr/>	<hr/>
	152,315	151,586
Allowance for doubtful accounts (e)	(2,800)	(1,699)
	<hr/>	<hr/>
<b>Total</b>	149,515	149,887
	<hr/>	<hr/>

(b) Accounts receivable are mainly denominated in US dollars, have current maturities and are non-interest bearing, except for matured accounts receivable.

(c) The delivered energy and capacity not invoiced corresponds to the capacity and energy remuneration that the regulatory agency of the national interconnected system, COES-SINAC, allocates monthly to each power generation company and requires to be invoices to the other power generation and distribution companies that are members of COES-SINAC.

The delivered energy and capacity not invoiced as of December 31, 2023 and 2022 were invoiced and collected, between January and February 2024 (2022: January and February 2023) in accordance with the collection policy of the Company, without significant changes.



(d) As of December 2023 and 2022, the aging of trade accounts receivable is as follows:

	<b>12/31/2023</b> US\$(000)	<b>12/31/2022</b> US\$(000)
Effective and not impaired	143,068	147,712
Between 1 and 30 days	7,407	2,410
Between 31 and 60 days	470	82
Between 61 and 90 days	107	229
More than 91 days	1,263	1,153
	<hr/>	<hr/>
<b>Total</b>	<b>152,315</b>	<b>151,586</b>
	<hr/>	<hr/>

(e) The estimate for doubtful accounts receivable was as follows:

	<b>12/31/2023</b> US\$(000)	<b>12/31/2022</b> US\$(000)
Initial balances	1,699	1,625
Provision for impairment, note 26	1,067	607
Recoveries, note 27	-	(574)
Exchange difference	34	41
	<hr/>	<hr/>
<b>Final balances</b>	<b>2,800</b>	<b>1,699</b>

The allowance for impairment of accounts receivable is determined in accordance with the requirements set out in IFRS 9 (Note 4) and with the policies established by Management and is recognized considering, among other factors, the balances pending collection, the probabilities for recovery, and the evidence of financial hardships of the debtor that increases outside normal ranges the bad debt risk of balances pending collection, so that the amount is deemed sufficient by Management to cover eventual losses in accounts receivable at the date of the statement of financial position.

The amount of the allowance is recognized with charge to profit or loss for the year. Subsequent collections are recognized with charge to profit or loss for the year. Basis criteria to derecognize impaired financial assets on such valuation accounts are the as

follows: (i) exhaustion of collection management, including guarantee execution; and (ii) financial hardships of the debtor that evidence the impossibility of electively collecting the account receivable.

In Management's opinion, the balance of the allowance for impairment of accounts receivable is sufficient to cover the loss risk of doubtful accounts as of December 31, 2023 and 2022.

## 9. Other accounts receivable

(a) A breakdown of this heading is given below:

	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Advance payment to suppliers (b)	1,386	1,650
Other insurance receivables (c)	19,007	-
Miscellaneous (d)	6,676	4,739
General Sales Tax credit – IGV –(e)		21,843
<b>Total</b>	<b>27,069</b>	<b>28,232</b>

(b) As of December 31, 2023 and 2022, the Company maintains advance payments to national and foreign suppliers mainly related to import fees and supplies for plant maintenance.

(c) General Sales Tax Credit (IGV), corresponding to the IGV balance paid for project construction, which will be applied in future periods.

(d) This amount mainly corresponds to accounts receivable for third-party projects and claims, which Company's Management deems recoverable in the short term.

(e) Credit for General Sales Tax - IGV, corresponding to the balance of IGV paid in the construction of projects which was applied during fiscal year 2023.

## 10. Inventories, net

(a) A breakdown of this heading is given below:

US\$(000)	12/31/2023	12/31/2022 US\$(000)
Supplies and spare parts (b)	29,582	27,196
Fuels (c)	99,135	73,706
Stock receivable (d)	-	14,052
	128,717	114,954
Provision for impairment	(11,648)	(11,958)
(e)		
<b>Total</b>	<b>117,069</b>	<b>102,996</b>

(b) It corresponds mainly to supplies and miscellaneous spare parts kept at warehouses and to be used for maintenance of power generation plants in the current period.

(c) It corresponds to the diesel kept by the Company as emergency backup for power generation.

As of December 31, 2022, corresponded to the procurement of fuel for Ilo 31 TPP - "Cold Reserve for Generation – Ilo Plant" and Ilo 41 TPP - "Nodo Energético Planta N° 2 - Planta Ilo", which was unloaded in our warehouses in 2023.

(d) The movement of the provision for impairment of inventories for the periods ended December 31, 2022 and 2021 was as follows:

US\$(000)	12/31/2023 US\$(000)	12/31/2022
Initial balances	11,958	11,579
Provision for impairment, note 25(a)	30	379
Recovery	(340)	-
<b>Final balances</b>	<b>11,648</b>	<b>11,958</b>



The provision for impairment of inventories (coal, fuel and supplies) has been determined based on internal reports. In Management's opinion, this provisions sufficiently covers the impairment risk as of December 31, 2023 and 2022.

## 11. Prepaid expenses

(a) A breakdown of this heading is given below:

	31/12/2023	31/12/2022	US\$(000)	US\$(000)
Option agreements with distributors (b)		25,201		41,607
Commercial agreements		26,192		15,427
Social contribution Usufruct Contract, note 2(i)		5,103		5,535
Insurance		6,534		3,123
Other		1,642		1,852
<b>Total</b>		<b>64,672</b>		<b>67,544</b>
<b>Maturities:</b>				
Current portion		13,177		9,921
Non-current portion		51,495		57,623
<b>Total</b>		<b>64,672</b>		<b>67,544</b>

As of December 31, 2023 and 2022, it mainly includes the amendments of power purchase agreements deriving from the application of Resolution No. 216-2018-OS/CD dated December 28, 2018 and Supreme Decree No. 022-2018- EM dated September 4, 2018 (option agreements with distribution companies).

(b) In accordance with paragraph 21 (a) of IFRS 15 "Revenues from contracts with clients", the Company accounts for the amendment of such contracts as the terminations of the old contract and the creation of a new contract. For these modifications, the revenues recognized to date in the original contract (the amount associated with completed performance obligations) are not adjusted. Instead, the remaining portion of the original contract and the modification are accounted for, in a prospective manner, by allocating the

amount of the new contract to the performance obligations to be fulfilled, including those incorporated in the modification.

The movement of amendments to power agreements as of December 31, 2023 and 2022 is as follows:

**12/31/2023**

	<b>Initial balances US\$(000)</b>	<b>Additions US\$(000)</b>	<b>Deductions US\$(000)</b>	<b>Final balances US\$(000)</b>
Option agreements	41,607	-	(16,406)	25,201
<b>Total</b>	<b>41,607</b>		<b>(16,406)</b>	<b>25,201</b>
		-		

**12/31/2022**

	<b>Initial balances US\$(000)</b>	<b>Additions US\$(000)</b>	<b>Deductions US\$(000)</b>	<b>Final balances US\$(000)</b>
Option contracts	44,971	-	(3,364)	41,607
<b>Total</b>	<b>44,971</b>	<b>-</b>	<b>(3,364)</b>	<b>41,607</b>

- (i) The decrease corresponds to the accrual of disbursements made in previous periods.
- (ii) In September 2021, the Company exercised the Option Rights (of which it was the holder pursuant to the addenda entered into under the Transitory Supplementary Provision of Supreme Decree 022-2018-EM) to extend the effective terms of the Power Purchase Agreements entered into with distribution companies resulting from long-term biddings.

1. Derivative financial instruments

- (a) As of December 31, 2023 and 2022, the Company has contracted cross currency interest rate swaps to manage interest rate and exchange risk. The detail of these instruments is as follows:

	Effect on statement of financial position		Effect on income		Effect on net equity	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
	US\$(000)	US\$(000)	(loss) gain	US\$(000)	US\$(000)	US\$(000)
Hedge derivative financial instruments:						
Swap contract 1st, 2nd and 3rd issuance of 3rd Bond Program	(24,368)	(31,713)	5,259	4,802	1,010	10,600
Swap contract - Bank loans	15,859	6,974	3,464	202	(1,163)	11,114
Total	(8,509)	(24,739)	8,723	5,004	(153)	21,714
Total asset	18,832	20,461				
Total liability	(27,341)	(45,200)				

The movement of derivative financial instruments for cross currency interest rate swaps as of December 31, 2023 and 2022 is as follows:

	Effect on statement of financial position		Effect on income		Effect on statement of financial position	
	01/01/2023	12/31/2023	01/01/2023	12/31/2023	01/01/2023	12/31/2023
	US\$(000)	US\$(000)	(loss) gain	US\$(000)	asset (liability), net	US\$(000)
Hedge derivative financial instruments:						
Swap contract 1st, 2nd and 3rd issuance of 3rd Bond Program	(31,713)	5,913	1,432	(24,368)		
Swap contract - Bank loans	6,974	10,534	(1,649)	15,859		
Total net	(24,739)	16,447	(217)	(8,509)		
Total asset	20,461			18,832		
Total liability	(45,200)			(27,341)		



	Effect on statement of financial position asset (liability), net	Effect on results (loss) profit	Effect on the result not realized	Effect on statement of financial position asset (liability), net
	01/01/2022 US\$(000)	Note 32, (iii) US\$(000)	US\$(000)	12/31/2022 US\$(000)
Hedge derivative financial instruments:				
Swap contract 1st, 2nd and 3rd issuance of 3rd Bond Program	(55,686)	8,937	15,036	(31,713)
Swap contract - Bank loans	(8,317)	(473)	15,764	6,974
<b>Total net</b>	<u>(64,003)</u>	<u>8,464</u>	<u>30,800</u>	<u>(24,739)</u>
<b>Total asset</b>	<u>2,351</u>			<u>20,461</u>
<b>Total liability</b>	<u>(66,354)</u>			<u>(45,200)</u>

The movement of derivative financial instruments on equity as of December 31, 2023 and 2022 is as follows:

	As of January 1, 2022 US\$(000)	Movement US\$(000)	As of December 31, 2022 US\$(000)	Movement US\$(000)	As of December 31, 2023 US\$(000)
Hedge derivative financial instruments:					
Swap contract 1st, 2nd and 3rd issuance of 3rd Bond Program	(8,146)	10,600	2,454	1,009	3,463
Swap contract - Bank loans	(861)	11,114	10,253	(1,163)	9,090
<b>Total</b>	<u>(9,007)</u>	<u>21,714</u>	<u>12,707</u>	<u>(153)</u>	<u>12,554</u>

The variance from January to December 2023 of derivative financial instruments for swap contracts of the Third Program (1st issuance, 2nd and 3rd Issuance Series A and Series B) of Corporate Bonds that are recognized as income for the year, includes a loss of US\$ 5,913, which is offset by the exchange difference of the debt for these bonds (US\$ 8,937 in the same period in 2022) (Note 32(v)) presented in exchange difference, which creates a neutral effect in the statement of comprehensive income

**Derivative financial instrument related to Corporate Bonds**

As a result of the issuance of Corporate Bonds in soles (currency different than the functional currency of the Company), under the First and Third Corporate Bond Program, and to hedge future exchange rate fluctuations, the Company decided to contract Swap derivative financial instruments referred to as "Cross currency interest rate swap". As a result, the Company managed to fix payments in dollars during the effective term of the bonds.

In September 2016, 2017 and then in September 2018, as a result of the 1st, 2nd, 3rd issuance – Series A and 3rd issuance – Series B of the Third Corporate Bond Program, the Company contracted currency and interest rate swaps, fixing payments in dollars during the effective term of the bonds

As stated above, the Company swapped as follows:

Financial entity	Bonds	Issuance amount S/.(000)	Swaps			
			Interest rate	Agreed amount	Interest rate	Fixed exchange rate
				US\$(000)		
<b>3rd Program</b>						
Banco de Crédito del Perú	1st issuance	250,000	7.1250%	76,324	3.3800%	3.2755 06/23/2026
BBVA Continental	2nd issuance	78,946	6.0000%	24,269	3.1500%	3.2530 06/27/2024
Banco de Crédito del Perú	3rd issuance (series A)	251,054	6.5313%	76,986	3.5500%	3.2610 06/27/2027
Banco de Crédito del Perú	3rd issuance (series B)	115,000	6.7188%	35,168	4.8800%	3.2700 06/13/2028
BBVA Continental	3rd issuance (series B)	115,000	6.7188%	35,157	4.9100%	3.2710 06/13/2028

The profit from cross currency swaps for the period January to December 2023 amounted to US\$ 8,723 (US\$ 5,004 for the same period in 2022), which is included in Net Profit for Derivative Financial Instruments in the statement of comprehensive income

**Derivative financial instruments related to Long-Term Bank Loan**

In September 2018, the Company contracted derivative financial instruments referred to as "Cross Currency and Interest Rate Swap" for loans provided by Scotiabank Perú S.A.A. in 2018. The purpose of these instruments is to set the exchange rate for payment of the principal and interests during the effective term of the loans

In April 2021, the T.N.A. of the loans secured with Scotiabank relating to the derivative financial instruments has a variance of 4.4954% and 4.646% to 2.3858%.

Loan Amount S/.(000)	Interest rate	Agreed amount	Interest Rate	Swaps	
				Fixed Exchange rate	Type of Maturity
				US\$(000)	
80,675	2.3858%	25,000	1.6432%	3.2270	06/22/2023
80,900	2.3858%	25,000	1.6432%	3.2360	06/22/2023

The variance from January to December 2023 of derivative financial instruments for bank loan swap contracts that is recognized in the income for the year includes a loss of US\$ 473, which is offset by the exchange difference of the debt for these loans (loss of US\$ 473 in the same period 2022) (Note 32, a(v)) presented in exchange rate difference, which creates a neutral effect in the statement of comprehensive income

Derivative financial instruments related to a Long-Term Corporate Loan

In August 2022, the Company contracted with Citibank a derivative financial instrument referred to as "Interest Rate Swap" for the loan granted by the Inter-American Investment Corporation (IIB Invest) and Inter-American Development Bank (IDB) in August 2022. The loan rate is composed of a variable rate (Daily Compounded SOFR) and a fixed rate, with a decarbonization incentive in the interest rate with the decommissioning of Ilo 21 from SEIN and confirmed by COES.

The purpose of this financial instrument is to set the variable interest rate (SOFR) during the effective term of the loan.

Swaps

Amount disbursed and covered of the loan US\$(000)	Interest rate	Agreed amount US\$(000)	Interest rate	Type of Maturity
264,000	Compound SOFR	264,000	2.7270%	08/05/2033

Derivative financial instruments related to Synthetic Corporate Loan

In September 2021, the Company contracted derivative financial instruments for the loan provided by Scotiabank Peru S.A.A. The purpose of these instruments is to set the exchange rate for payment of the principal and interests at maturity.

Forwards

Amount	Interest rate	Agreed amount US\$(000)	Synthetic interest rate	Fixed Exchange rate	Maturity
S/(000)					
204,900	1.8300%	49,292	0.0109%	4.1569	06/22/2022

The variation from January to June 2022 of the financial instruments derived from this loan that were recognized in the results of the year includes a gain of US\$2,256 which is offset by the exchange difference of that same debt (Note 32(v)) that are presented in the exchange difference item, which causes a neutral effect in the statement of comprehensive income.

2. Property, plant and equipment, net

(a) The cost flow and accumulated depreciation are as follows:

	Lands	Buildings and other constructions	Machinery and equipment	Transport units	Furniture and fixtures	Miscellaneous equipment	Work in progress	Right of use (g)	Dismantling	Total
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
<b>Cost</b>										
Balance as of January 1 2022	7,876	899,891	1,380,534	4,179	6,040	60,965	83,945	133,354	32,964	2,609,748
Additions	146	-	99	517	223	18,443	187,769	-	-	207,197
Transfer	-	1,460	7,942	-	37	1,428	(2,466)	-	-	8,401
Removals	-	-	(26)	(196)	(11)	(353)	-	-	-	(586)
Balance as of December 31, 2022	8,022	901,351	1,388,549	4,500	6,289	80,483	269,248	133,354	32,964	2,824,760
Additions	-	9	862	249	53	1,330	71,801	-	7,149	81,453
Transfer	-	1,942	343,479	-	-	4,577	(339,178)	(1,563)	-	9,257
Removals	-	(13)	(14,733)	(603)	(15)	(282)	-	-	-	(15,646)
Balance as of December 31, 2023	8,022	903,289	1,718,157	4,146	6,327	86,108	1,871	131,791	40,113	2,899,824
<b>Accumulated depreciation</b>										
Balance as of January 1, 2022	-	220,120	484,277	2,663	2,821	47,794	-	73,951	7,980	839,606
Depreciation for the year	-	21,587	55,961	367	102	2,708	-	4,965	681	86,371
Removals	-	2	(26)	(196)	(4)	(463)	-	-	-	(687)
Balance as of December 31, 2022	-	241,709	540,212	2,834	2,919	50,039	-	78,916	8,661	925,290
Depreciation for the year	-	22,690	63,449	414	86	2,600	-	4,847	674	94,760
Removals	-	(9)	(4,193)	(603)	(4)	(261)	-	-	-	(5,070)
Transfers and other changes	-	-	-	-	-	-	-	(2,725)	-	(2,725)
Balance as of December 31, 2023	-	264,390	599,468	2,645	3,001	52,378	-	81,038	9,335	1,012,255
<b>Accumulated depreciation</b>										
Balance as of January 1, 2022	-	-	22,188	-	-	-	-	-	8,759	30,947
Addition	-	-	-	-	-	-	-	-	-	-
Recovery, note 27	-	-	(2,993)	-	-	-	-	-	-	(2,993)
Balance as of December 31, 2022	-	-	19,195	-	-	-	-	-	8,759	27,954
Addition (f)	-	77,665	-	-	-	-	-	-	-	77,665
Recovery, note 27	-	(242)	(2,106)	-	-	-	-	-	-	(2,348)
Balance as of December 31, 2023	-	77,423	17,089	-	-	-	-	-	8,759	103,271
<b>Net carrying value</b>										
As of December 31, 2022	8,022	659,642	829,142	1,666	3,370	30,444	269,248	54,438	15,544	1,871,516
As of December 31, 2023	8,022	561,476	1,101,600	1,501	3,326	33,730	1,871	50,753	22,019	1,784,298



- (b) The Properties, plant and equipment, net, without including works in progress and administrative offices, classified per Power Generation Plants as of December 31, 2023 and 2022 are as follows:

	<b>12/31/2023</b> US\$(000)	<b>12/31/2022</b> US\$(000)
Chilca Complex:		
ChilcaUno	352,209	395,172
ChilcaDos	103,606	100,936
<b>Sub Total</b>	<b>455,815</b>	<b>496,108</b>
Ilo Complex:		
Ilo31 – Cold Reserve	143,323	159,325
Ilo41 – Nodo Energético del Sur	276,167	304,400
Other complementary assets	72,042	76,977
<b>Sub-Total</b>	<b>491,532</b>	<b>540,702</b>
Yuncán Hydropower Plant	4,555	5,160
Quitaracsá Hydropower Plant	423,259	456,580
Intipampa Solar Power Plant	46,341	42,898
Punta Lomitas Wind Power Plant	<u>258,056</u>	<u>-</u>
<b>Sub-Total</b>	<b>732,211</b>	<b>504,638</b>
<b>Total</b>	<b>1,679,558</b>	<b>1,541,448</b>

- (c) The depreciation expense for the period comprised between January and December 2022 and 2021 has been recorded following lines of the statement of comprehensive income:

	<b>12/31/2023</b> US\$(000)	<b>12/31/2022</b> US\$(000)
Sales cost, note 25	93,581	85,193
Administration expenses, note 26	1,179	1,178
<b>Total</b>	<b>94,760</b>	<b>86,371</b>

- (d) Properties, plant and equipment include assets procured under financial leases as follows:

		Transport	
	Buildings US\$(000)	units US\$(000)	Total US\$(000)
<b>Cost</b>			
Balance as of January 1, 2022	141,642	906,681	1,048,323
Additions	-	-	-
Balance as of December 31, 2022	141,642	906,681	1,048,323
Additions	-	(8,797)	(8,797)
Balance as of December 31, 2023	141,642	897,884	1,039,526
<b>Accumulated depreciation</b>			
Balance as of January 1, 2022	40,244	213,211	253,455
Additions	3,684	32,493	36,177
Balance as of December 31, 2022	43,928	245,704	289,632
Additions	3,684	30,010	33,694
Balance as of December 31, 2023	47,612	275,714	323,326
<b>Net carrying value</b>			
Balance as of December 31, 2023	97,714	660,977	758,691
Balance as of December 31, 2023	94,030	622,170	716,200

- (e) According to the policies established by Management, as of December 31, 2023 and 2022, the Company has taken out all-risk insurance policies. Additionally, the Company has a Loss of Profit Insurance in case of economic losses due to damages to the power plants. In Management's opinion, the insurances policies taken out conform to the standard used by similar companies in the sector, and sufficiently cover for the risk of eventual losses that may occur, considering the type of assets owned by the Company.

- (f) The accumulated loss on impairment as of December 31, 2023 and 2022, corresponds to the impairment of the assets in connection with the Ilo 1 TPP and Ilo 21 TPP for US\$ 25,980 (US\$ 27,955 as of December 31, 2022), as the carrying value exceeds the recoverable values. In addition, in 2023, an impairment loss of US\$ 77,665 was recognized for the cash generating unit comprising all the plants it operates. For the determination of the value in use, the most relevant assumptions are: (i) energy generation scenarios in the face of climate change and (ii) increase in the discount rate given the interest rate situation.

The movement of accumulated loss on impairment as of December 31, 2023 and 2022 is as follows:

	Balances 01/01/2023 US\$(000)	Additions US\$(000)	Deductions US\$(000)	Balances 12/31/2023 US\$(000)
C.T. Ilo1	1,286	-	-	1,286
C.T. Ilo21	26,668	-	(2,348)	24,320
Plants		77,665		77,665
<b>Total</b>	<b>27,954</b>	<b>77,665</b>	<b>(2,348)</b>	<b>103,271</b>

	Balances 01/01/2022 US\$(000)	Additions US\$(000)	Deductions US\$(000)	Balances 12/31/2022 US\$(000)
C.T. Ilo1	2,039	-	(753)	1,286
C.T. Ilo21	28,908	-	(2,240)	26,668
Plants	-	-	-	-
<b>Total</b>	<b>30,947</b>	<b>-</b>	<b>(2,993)</b>	<b>27,954</b>

- (i) The reversal for impairment loss (US\$ 2,348 as of December 2023 and US\$ 2,993 as of December 2022) 1) is due to the update of the carrying value of assets for the passing of time. As of December 2023 and 2022, the Company estimates that the recoverable value of assets with impairment loss are recognized at fair value less the disposition value or value in use.
- (ii) The increase of depreciation of provisioned assets results in a decrease in the impairment provision. The effect of this depreciation and the reversal of the impairment provision does not have an impact on the profit or loss for the year.

(iii) As of December 31, 2023 and 2022, the provisioned assets do not have any recovery value.

In Company's Management opinion, as of December 31, 2023 and 2022, no provisions in addition to the previously recognized allowance for impairment of property, plant and equipment are required.

(g) The right of use includes mainly the disbursement made for "Contract fees", "Usufruct fees" and initial payment of the "Social Contribution" (Note 2 (i)), and are amortized in 30 years starting on September 7, 2005 (taking over date of the Yuncan HPP).

The carrying value of recognized assets for right of use and movements during the year are detailed as follows:

	Buildings US\$(000)	Transport units US\$(000)	Total US\$(000)
<b>Cost</b>			
Balance as of January 1, 2022	129,249	4,105	133,354
Additions	-	-	-
Balance as of December 31, 2022	129,249	4,105	133,354
Additions	15	-	15
other movements	-	(1,577)	(1,577)
Balance as of December 31, 2023	129,264	2,528	131,792
<b>Accumulated depreciation</b>			
Balance as of January 1, 2022	70,564	3,387	73,951
Additions	4,411	555	4,966
Balance as of December 31, 2022	74,975	3,942	78,917
Additions	3,976	871	4,847
other movements		(2,725)	(2,725)
Balance as of December 31, 2023	78,951	2,088	81,039
<b>Net carrying value</b>			
Balance as of December 31, 2022	54,274	163	54,437
Balance as of December 31, 2023	50,313	440	50,753

The Company also has some leases of machinery and equipment with lease terms of 12 months or less and leases of low value equipment. Consequently, the Company applies



exemptions for recognition of short-term leases and low-value asset leases for these leases.

The carrying value of lease liabilities (included in financial liabilities) and movements during the year as shown below:

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Initial balance	2,397	5,699
Interest expenses	222	244
Lease payments	(931)	(3,546)
other movements	<u>1,711</u>	<u></u>
<b>Total</b>	<u>3,399</u>	<u>2,397</u>

The analysis of maturities of liabilities for right-of-use asset leases is reported in note 32(a)(iii).

- (h) In 2023 and 2022, the total cash disbursements for the procurement of property, plant and equipment and work in progress are as follows:

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Fixed asset recognition	81,453	207,197
Other disbursements	21,231	-
Purchases not representing cash flows	<u>-</u>	<u>(8,931)</u>
<b>Total</b>	<u>102,684</u>	<u>198,266</u>

## Other assets, net

(a) The cost flow and accumulated depreciation are as follows:

	Quitaracsa HPP (d)	Other	Total
	US\$(000)	US\$(000)	US\$(000)
<b>Cost</b>			
Balance as of January 1, 2022	48,755	4,000	52,755
Additions	-	55	55
Transfers	-	10	10
Balance as of December 31, 2022	48,755	4,065	52,820
Additions	-	-	-
Transfers	-	-	-
Balance as of December 31, 2023	48,755	4,065	52,820
<b>Accumulated depreciation</b>			
Balance as of January 1, 2022	3,334	2,900	6,234
Additions	530	159	689
Removals	-	(153)	(153)
Balance as of December 31, 2022	3,864	2,906	6,770
Additions	584	61	645
Balance as of December 31, 2023	4,448	2,967	7,415
<b>Net carrying value</b>			
Balance as of December 31, 2022	44,891	1,159	46,050
Balance as of December 31, 2023	44,307	1,098	45,405

(B) The amortization rates are as follows (stated in percentages):

	%
Quitaracsa Highway and others	1– 100

(c) The amortization distribution for the period from January to December 2023 and 2022, is as follows:

	12/31/2023	12/31/2022
	US\$(000)	US\$(000)
Sales cost, note 25	903	928
Administration expenses, note 26	1	6
<b>Total</b>	<b>904</b>	<b>934</b>

(D) An approximate amount of US\$ 42,362 corresponds to the construction of roads in the Municipal Province of Yuracmarca and the Municipality of Huaylas, which are state-owned and provide the Company with access to the Quitaracsa Hydroelectric Power Plant.

3. Other financial liabilities

(a) A breakdown of this heading is given below:

	12/31/2023			12/31/2022		
	Current portion US\$(000)	Non-current portion US\$(000)	Total US\$(000)	Current portion US\$(000)	Non-current portion US\$(000)	Total US\$(000)
Corporate bonds (b)	21,308	232,315	253,623	-	247,710	247,710
Bank loans (c)	45,000	285,000	330,000	92,430	264,000	356,430
Financial lease (d)	599	2,800	3,399	176	2,221	2,397
Total	66,907	520,115	587,022	92,606	513,931	606,537

(b) The bond debt is made up as follows:

	Currency of origin	Amount issued	Date of Issuance	Annual Interest (%)	Payment of Interest	Maturity	Current portion		Non-current portion		Total debt as of		
							12/31/2023 US\$(000)	12/31/2022 US\$(000)	12/31/2023 US\$(000)	12/31/2022 US\$(000)	12/31/2023 US\$(000)	12/31/2022 US\$(000)	
First bond program													
- 3rd issuance	US\$	10,000	Jun-08	6.3125	Semestral	Jun-28	-	-	10,000	10,000	10,000	10,000	
- 6th issuance	US\$	25,000	Dic-10	6.5000	Semestral	Dic-25	-	-	25,000	25,000	25,000	25,000	
						<b>Total</b>	-	-	35,000	35,000	35,000	35,000	
Third bond program													
- 1st issuance	S/	250,000	Jun-16	7.1250	Semestral	Jun-26	-	-	67,477	65,651	67,477	65,651	
- 2nd issuance	S/	78,946	Jun-17	6.0000	Semestral	Jun-24	21,308	-	-	20,732	21,308	20,732	
- 3rd issuance series A	S/	251,054	Jun-17	6.5313	Semestral	Jun-27	-	-	67,760	65,928	67,760	65,928	
- 3rd issuance series B	S/	230,000	Jun-18	6.7188	Semestral	Jun-28	-	-	62,078	60,399	62,078	60,399	
					<b>Total</b>		21,308	-	197,315	212,710	218,623	212,710	
					<b>Total</b>		21,308	-	232,315	247,710	253,623	247,710	

To hedge future exchange fluctuations in bonds issued in soles, the Company contracted currency and interest rate swaps with local banks (note 12).



(c) Bank loans are made up as follows.

	Interest rate (%)	Amount issued in thousands	Maturity	12/31/2023 US\$(000)	12/31/2022 US\$(000)
IDB dollar loans - 1st disbursement (i)	5.0870	264,000	August 2033	264,000	264,000
IDB dollar loans – 2nd disbursement (ii)	SOFR + 2.36	36,000	August 2033	36,000	-
<b><u>Banco Scotiabank del Perú S.A.A.</u></b>					
Loan in dollars (iii)	5.9900	50,000	February 24	30,000	-
Loan in dollars (iv)	1.3000	100,000	June 23	-	50,000
Loans in soles (v)	2.3858	80,675	June 23	-	21,186
Loans in soles (v)	2.3858	80,900	June 23	-	21,244
Total				330,000	356,430

- (i) This loan does not have pledged collaterals and was obtained from the Inter-American Investment Corporation (IDB Invest) and with the Inter-American Development Bank (IDB) for the procurement of assets related to the Punta Lomitas project. The loan rate is variable (Daily Compounded SOFR + Spread) and was set at a rate of 5.157% through an interest rate swap. The interest rate is staggered, as from year 8 it would go up from 5.157% to 5.657%. There is a decarbonization incentive in the interest rate with the decommissioning of Ilo 21 from SEIN and confirmed by COES.
- (ii) This loan corresponds to the second tranche of the loan agreement obtained with the Inter-American Investment Corporation (IDB Invest) and the Inter-American Development Bank (IDB) for the acquisition of assets related to the Punta Lomitas project. The loan rate is variable (Daily Compounded SOFR + Spread) and is not hedged.
- (iii) In August 2023, a US\$ 50 million promissory note was taken out at a rate of 5.99% for a period of 180 days for working capital contingencies and other cash needs. In December 2023, a prepayment of this loan for US\$ 20 million was made.
- (iii) This loan was obtained with Scotiabank, has no collateral and was used to prepay the US\$ 100 million loan granted in September 2014 by The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation, which matures in September 2020. In October 2019, the original rate of the loan changed from 2.30% to 2.70% based on an addendum. Additionally, in September 2021 the rate changed again from 3.30% to 2.70% based on an addendum signed during the year. On the same date, this loan was prepaid by US\$ 50 million through the synthetic loan taken out with Scotiabank Peru S.A.A.
- (iv) These loans do not have pledged collaterals and were obtained for working capital.

These loans do not have pledged collaterals and were obtained for the procurement of assets. To hedge future exchange fluctuations, for loans in soles, the Company contracted currency and interest rate swaps with local banks (note 12).

- (d) The main requirement to be met by the Company regarding its long-term financial obligations as detailed in the financial lease agreements, the long-term bank loan and the master prospectus of the First and Third Corporate Bond Program, is to keep a debt hedge ratio below 3.5 X EBITDA. However, on June 6, 2023, the General Assembly of bondholders of the "First Corporate Bond Program of EnerSur S.A." approved, among others, the elimination of section 6.02 of Clause VI of the Framework Act related to this financial safeguard.

#### 4. Trade accounts payable

- (a) A breakdown of this heading is given below:

	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Within maturity terms (c)	75,510	70,764
Between 1 and 30 days	707	236
Between 31 and 60 days	121	3
More than 61 days	1,654	517
<b>Total</b>	<b><u>77,992</u></b>	<b><u>71,520</u></b>

- (b) Trade accounts payable are denominated in soles and US dollars and do not generate interest and have no specific guarantees.
- (c) As of December 31, 2023 and December 31, 2022, includes services received from local and foreign suppliers, the main concepts refer to uninvoiced goods and services received related to the purchase of energy, power, tolls, fuel and supplies.

**5. Other accounts payable**

(a) A breakdown of this heading is given below:

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Taxes payable	14,284	9,380
IGV payable	4,254	-
Interests payable over financial obligation (b)	5,465	3,258
Advance payment from clients	596	546
Other	7,938	7,884
<b>Total</b>	<b>32,537</b>	<b>21,068</b>

(b) As of December 2023, its corresponds to accrued interests which will be paid according to the schedules established for each of the financial obligations.

**6. Liabilities for employees' benefits**

A breakdown of this heading is given below:

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Remunerations and vacations	7,949	7,048
Employees' profit-sharing	4,059	4,153
Pension Fund Managers - AFP	174	155
Essalud	62	76
<b>Total</b>	<b>12,244</b>	<b>11,432</b>

**7. Provisions**

(a) A breakdown of this heading is given below:

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Provision for dismantling (b)	39,690	31,917
<b>Total</b>	<b>39,690</b>	<b>31,917</b>

(b) Provision for closing generation power plants –

The provision for closing the power generation plants represents the present value of the closing costs which are expected to be incurred between 2023 and 2096. The estimate of such costs is based on studies that were prepared in-house.

The provision for closing the power generation plants mainly corresponds to activities that are to be carried out to reclaim the areas where the plants were operating. The budget for closing the power generation plants is reviewed on a regular basis to take into consideration any material change occurring in any of the studies performed. However, the closing costs shall depend on the market prices of the required closing works that will reflect future economic conditions. Additionally, the timing for the disbursements will depend on the useful life of each power generation plant.

As of December 31, 2023 and 2022, the future value of the provision for closing the power generation plants adds up to US\$ 100,758 and US\$ 80,472, which has been discounted, resulting in an update liability amounting to US\$ 39,690 (US\$ 31,917 as of December 31, 2022). Company's Management considers this liability to be sufficient to uphold its future commitments.

- (c) The provision for dismantling the Company's power generation plants is shown below.

	<b>12/31/2023</b>	<b>12/31/2022</b>
	US\$(000)	US\$(000)
Initial balance	31,917	33,978
Addition Punta Lomitas	7,149	-
Financial update , note 28		
Ilo1 TPP	-	71
Ilo21 TPP	468	421
Other plants	477	629
Disbursements	<u>(321)</u>	<u>(3,182)</u>
Final balance	<u>39,690</u>	<u>31,917</u>



## Transactions among related parties

- (a) As of December 31, 2023 and 2022, the Company has conducted the following transactions with related entities:

	12/31/2023		12/31/2022	
	Revenues	Expenses /	Revenues	Expense
	US\$(000)	Cost	US\$(000)	s / Cost
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
<b>Controlling entity -</b>				
<i>Engie Perú S.A.</i>				
Advisory and consultancy service	-	-	-	35
<i>Engie GBS Latam</i>				
Administrative services and support	-	201	-	364
<i>CEF Services S.A.</i>				
Expense reimbursement	-	56	-	652
<i>Laborelec</i>				
Advisory and consultancy service	-	416	-	398
<i>Engie Energía Chile S.A.</i>				
Advisory and consultancy service	-	283	-	209
<i>Tractebel Engineering S.A</i>				
Engineering and consultancy service for projects	-	60	-	22
<i>Engie Digital</i>				
Consultancy services	-	60	-	6
<i>Engie S.A. -NewCorp</i>				
IT applications	-	343	-	133
<i>Engie (China)Energy Technology Co LTD</i>				
Advisory and consultancy service	-	-	-	3
<i>Electrabel Corporate HQ Benelux</i>				
IT applications	-	38	-	-
<i>Engie Invest International S.A</i>				
Payroll Services	-	297	-	-
<i>Engie Renouvelables SAS</i>				
Payroll Services	-	3	-	-

- (b) As a result of these and other transactions conducted with related entities, the balance of accounts receivable and accounts payable as of December 31, 2023 and 2022 is shown below:

	2023 US\$(000)	2022 US\$(000)
<b>Non-trade receivables:</b>		
Related entities		
International Power PTY LTD	40	-
Tractebel Engineering LTDA		
Sucursal Perú	2	2
Engie Energia Chile S.A.	1	-
Engie Services Perú S.A.	-	19
Engie GBS Latam	-	5
CAM Servicios del Perú S.A.	-	13
<b>Total</b>	<b>43</b>	<b>39</b>
<b>Non-trade payables:</b>		
<b>Controlling entity</b>		
Engie S.A.	20	27
<b>Related entities</b>		
Engie GBS Latam	285	287
Engie Energía Chile	283	26
Engie S.A.-NewCorp	262	133
Engie Invest International S.A	219	-
CEF Services S.A.	118	590
Engie University	96	9
Laborelec	65	304
Engie Digital	58	11
Tractebel Engineering S.A.	47	33
Electrabel Corporate HQ Benielux	11	3
Engie Latam	6	6
Engie Renouvelables SAS	2	-
Engie Services Perú S.A.	-	194
Engie (China) Energy Technology Co.LTD	-	4
Other	142	81
<b>Total</b>	<b>1,614</b>	<b>1,708</b>

- (c) Balances receivable from and payable to related entities have current maturities, do not bear interests and do not have specific guarantees.
- (d) The remunerations and/or compensations paid during the period from January to December 2023 and 2022 to the management staff, who have the authority and responsibility for planning, directing and controlling the Company's activities, are shown below:

	2023	2022
	US\$(000)	US\$(000)
<b>Accounts payable</b>		
Allowance for bonus	382	308
Remunerations	178	145
<b>Total</b>	<b>560</b>	<b>453</b>
<b>Disbursements</b>		
Short-term employee benefits	276	225
Benefits for termination	111	97
Remunerations	869	1,238
Allowances to the Board	-	45
<b>Total</b>	<b>1,256</b>	<b>1,605</b>

21. Income tax

- (a) The income tax expense as of December 2023 and 2022 in the income statement is composed as follows:

	31/12/2023	31/12/2022
	US\$(000)	US\$(000)
Current income tax	28,935	28,221
Income tax from previous years	(343)	4,736
Deferred income tax	(23,450 )	157
Deferred income tax previous years	1,469	1,911
<b>Total</b>	<b>6,611</b>	<b>35,025</b>

As of December 31, 2023, the Company has an income tax credit of US\$ 9,161 (income tax payable net of prepayments of US\$ 7,154 as of December 31, 2022).

(a) The components of the deferred asset and liability for income tax are as follows:

	As of January 1 2022	Credit (debit) to Income	Credit to statement of changes in equity	As of December 31 2022	Credit (debit) to Income	Credit to statement of changes in Equity	As of December 31
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Deferred asset							2023
Provision for asset impairment	(9,129)	883	-	(8,246)	(22,219)	-	(30,465)
Lease IFRS 16	(4,867)	275	-	(4,592)	(3,194)	-	(7,786)
Provision of inventory impairment	(3,660)	-	-	(3,660)	134	-	(3,528)
Provision for dismantling	(2,934)	(531)	-	(3,465)	-	-	(3,465)
Other provisions	7,956	(3,452)	-	4,504	(25,358)	-	(20,854)
Deferred liability							
Difference in depreciation rates	384,466	2,982	-	387,448	27,189	-	414,637
Derivative financial instruments	(3,769)	-	9,086	5,317	-	(64)	5,253
Net deferred liability	368,063	157	9,086	377,306	(23,450)	(64)	353,792

(b) Reconciliation of the effective income tax rate with the legal rate for periods from January to December 2023 and 2022 is given below:

	12/31/2023		12/31/2022	
	US\$(000)	%	US\$(000)	%
Accounting profit before income tax	12,611	100.00	100,175	100.00
Theoretical income tax	3,720	29.50	29,552	29.50
Non-deductible expenses	1,493	11.84	315	0.31
Donations	207	1.64	241	0.24
Provision for additional tax liabilities from previous years and other	1,191	9.44	4,917	4.91
Income tax expenses	6,611	52.42	35,025	34.96



## Net equity

### (a) Issued capital

As of December 31, 2023, the share capital is represented by 601,370,011 fully subscribed and paid-in ordinary shares with a par value of S/ 1.00 each (equivalent to US\$ 0.2639).

As of December 31, 2023, the Company's shareholding structure was as follows:

	Number of shares	Total interest (%)
International Power	371,478,629	61.77
AFP Prima-Fondo 2	45,445,627	7.56
AFP Integra-Fondo 2	44,847,967	7.46
AFP Profuturo-Fondo 2	25,216,881	4.19
Others (759 accionistas)	114,380,907	19.02
<b>Total</b>	<b>601,370,011</b>	<b>100.00</b>

As of December 31, 2023, each share was listed (on the Lima Stock Exchange) at S/ 4.65 (S/ 4.95 as of December 31, 2022). The shares of the Company are ordinary, and all have voting rights

### (b) Additional capital

It is the capital premium, freely available, resulting from the capital increase due to the contribution of Pension Fund Managers (AFP) in 2004. Such premium resulted from comparing the number of contributions made by AFP for US\$ 48,000 with the amount of US\$ 12,078, corresponding to the value in US dollars from the 42,098,992 ordinary shares issued with a par value of S/ 1.00, applying the exchange rate of S/ 3.4855 per every US\$ 1.00.

### (c) Legal reserve

In accordance with the General Corporations Law, a minimum of 10% of the net income for each year is to be transferred to a legal reserve, after deducting accumulated losses, until an amount equal to one fifth of the capital. In the absence of non-distributed profit or freely available reserves, the legal reserve is to be applied to offset losses, and it should be restored. The legal reserve may be capitalized but has to be subsequently restored. As of December 31, 2023 and 2022, the legal reserve has reached the required limit.

### (d) Retained Earnings

On December 10, 2016, Legislative Decree No. 1261 was enacted and came into effect on January 1, 2017, whereby the Income Tax Law was amended, and required that domiciled legal entities agreeing to the distribution of dividends or any other form of profit-sharing apply a 5% rate for year 2017 and onwards, except when such distribution is made to domiciled legal entities.

No restrictions for remittance of dividends or repatriation of capital to foreign investors.

### (e) Dividend distribution

In October 2015, the General Shareholders' Meeting unanimously approved the amendment of the Company's policy on dividends, agreeing, inter alia, to ratify that the repatriation of dividends is equivalent to thirty per cent (30%) of available annual profit, as determined in each year, or a higher percentage if deemed convenient, and regarding the distribution basis, the earnings obtained as of December 31, 2014 will be considered, and when depleted, the earnings recorded as from January 1, 2015 will be used.

In 2023, the Company agreed to distribute and pay dividends for US\$ 30,079 corresponding to the balance of dividends for year 2022. The dividends as of December 31, 2023 and 2022 were paid as follows:

Dividends agreed and paid in 2023		US\$(000)	Dividends per ordinary share
20 de marzo - General Shareholders' Meeting	Advance for 2023	14,79 2	0.0246
6 de noviembre - Board	Preview of the exercise 2023	15,28 8	0.0254
Total		<u>30,0 80</u>	<u>0.0 500</u>
Dividends agreed and paid in 2022		US\$(000)	Dividends per ordinary share
18 de marzo - General Shareholders' Meeting	Advance for 2021	23,087	0.0384
10 de noviembre - Board	Preview of the exercise 2022	11,268	0.0187
Total		<u>34,355</u>	<u>0.0571</u>

23. Basic and diluted earnings per share

The basic earnings per ordinary share have been calculated by dividing the net earnings in the year attributable for ordinary shareholders by the weighted average of the number of ordinary shares outstanding in the year. Diluted earnings per ordinary shares have not been calculated as there are no potential diluting ordinary shares, i.e. financial instruments or other contracts conferring the right to obtain ordinary shares.

The calculation of the earnings per share for years 2023 and 2022 is given below:

	2023 US\$(000)	2022 US\$(000)
Net earnings to ordinary shareholders	6,000	65,150
Weighted average of the number of ordinary shares:		
Outstanding at the start of the period	601,370,011	601,370,011
Outstanding during the period	601,370,011	601,370,011
<b>Total</b>	<b>0.010</b>	<b>0.108</b>

## 24. Sales revenues

A breakdown of this heading is given below:

	2023	2022
	US\$(000)	US\$(000)
Energy sales	464,353	345,587
Capacity sales	195,045	189,698
Toll sales	3,494	3,387
Other revenues	8,911	16,235
Total	<u>671,803</u>	<u>554,907</u>

As of December 31, 2023, the Company has 77 free clients (102 free clients as of December 31, 2022) and 12 distribution companies (12 distribution companies as of December 31, 2022).

Energy sales in 2023 amounted to US\$ 90,178, US\$ 111,711, US\$ 159,629 and US\$ 102,835 in the first, second, third and fourth quarters, respectively, resulting in a total of US\$ 464,353.

Likewise, power sales amounted to US\$ 47,337, US\$ 50,207, US\$ 49,497 and US\$ 48,004 in the first, second, third and fourth quarters, respectively, resulting in a total of US\$ 195,045 in 2023.

## 25. Sales cost

(a) A breakdown of this heading is given below:

	12/31/2023	12/31/2022
	US\$(000)	US\$(000)
Fuel consumption	307,323	209,590
Toll purchase	10,364	9,542
Purchase of energy and capacity (b)	71,209	60,253
Personnel charges	23,679	19,597
Consumption of supplies and spare parts	5,110	4,124
Right of usufruct and social contribution	431	431
Contribution 1% Power Companies	6,348	4,961
Maintenance of industrial equipment	8,991	10,046
Other generation expenses	32,131	24,732
Depreciation, note 13	93,581	85,193
Amortization, note 14	903	928
Provision for impairment of inventories, note 10 (e)	30	379
Other	<u>228</u>	<u>85</u>
Total	<u>560,328</u>	<u>429,861</u>

- (b) The accrued cost of option agreements relating to the extension of contracts with distribution companies is included, pursuant to Supreme Decree 022-2018-EM dated September 4, 2018 (Note 11, b).

26. Administration expenses

A breakdown of this heading is given below:

	12/31/2023 US\$(000)	31/12/2022 US\$(000)
Personnel expenses	13,246	11,156
Third-party services	6,812	7,301
Administrative, financial and technical services	83	77
Taxes	654	582
Miscellaneous management charges and others	2,514	285
Depreciation, note 13	1,179	1,17
		8
Amortization, note 14	1	6
Provision for doubtful accounts IFRS 9	1,067	607
<b>Total</b>	<b>25,556</b>	<b>21,192</b>

27. Other income

A breakdown of this heading is given below:

	12/31/2023 US\$(000)	12/31/2022 US\$(000)
Other income		
Impairment recovery, note 13(a)	2,348	2,993
Insurance indemnities		-
	34,593	
Estimate of project-related penalties	-	1,100
Sale of supplies and fixed assets	148	139
Settlement of provisions	-	1,688
Recovery of allowance for impairment of accounts receivable, note 8(e)	-	574
Others	2,071	155
-		
<b>Total</b>	<b>39,160</b>	<b>6,649</b>
<b>other expenses</b>		
Impairment of assets, note 13	77,665	-
Net cost of disposal	11,199	7
Other	6,576	1,281
<b>Total</b>	<b>95,440</b>	<b>1,288</b>

In 2023, an impairment loss of US\$ 77,665 was recognized for all plants operated (Note 13).



**28. Financial income and expenses**

A breakdown of this heading is given below:

	31/12/2023	31/12/2022
	US\$(000)	US\$(000)
<b>Financial income</b>		
Interest on bank deposits	4,709	957
	784	1,343
Other	5,493	2,300
<b>Total</b>		
Financial expenses		
Interests on bonds	17,035	16,563
Interests on financial leases	222	23
Interests on loans	12,301	2,380
Other	2,146	1,674
<b>Total</b>	<b>31,704</b>	<b>20,640</b>
29. Tax situation		

- (a) The Company is subject to the Peruvian tax regime. The income tax rate as of December 31, 2023 and 2022 was 29.5%, over taxable profits, after deducting employees' profit-sharing that is calculated at a rate of 5% over taxable profits. In July 1998, the National Tax Administration Superintendency (SUNAT), authorized the Company to keep its accounting, from 1998, in foreign currency (US dollars), pursuant to the provisions set out in the Tax Code.

Legal entities and individuals not domiciled in Peru are subject to an additional tax on dividends received. Pursuant to the provisions in Legislative Decree No. 1261, the additional tax on dividends for generated profits shall be as follows:

- 6.8% for the profits generated from January 1, 2015 to December 31, 2016.  
For profits generated from January 1, 2017, whose distribution is carried out from such date, the applicable rate will be 5%.

- (b) For determining the income tax, the transfer prices for transactions with related companies and companies domiciled in territories with little or no taxation must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. Based on the analysis of the Company's operations, Management and its legal counsels believe that, as a result of the application of these regulations, no material contingencies will arise for the Company as of December 31, 2023 and 2022.

On January 1, 2017, Legislative Decree No. 1312 came into force and effect, modifying Article 32 A of the Income Tax Law, law that regulates transfer prices. Additionally, on November 17, 2017, the regulatory standard of Supreme Decree 333-2017 EF was published and in January 2018, Superintendency Resolution No. 014-2018/SUNAT was published, regulating the presentation of informative statements for local reporting purposes. To date, the Company has declared its local reports until 2020.

(c) In July 2018, Law No. 30823 was published, whereby the Congress delegated to the Executive Branch the power to legislate on several issues, including tax and financial matters. In this sense, the main tax regulations issued are as follows:

(i) Effective January 1, 2019, the treatment applicable to royalties and remuneration for services rendered by non-domiciled entities was modified, eliminating the obligation to pay the amount equivalent to the withholding due to the accounting record of the cost or expense. Now the income tax is withheld because of the payment or accreditation of the compensation. For such cost or expense to be deductible for the local company, the compensation is required to have been paid or accredited until the annual income tax filing date (Legislative Decree No. 1369).

(ii) The rules that regulate the obligation of legal persons and/or legal entities to report the identification of their ultimate beneficiaries (Legislative Decree No. 1372) were established. These rules are applicable to legal entities domiciled in the country, in accordance with the provisions of Article 7 of the Income Tax Law, and legal entities incorporated in the country. The obligation covers non-domiciled legal persons and legal entities incorporated abroad, provided that: a) they have a branch, agency or other permanent establishment in the country; b) the individual or legal entity who manages the autonomous equity or foreign investment funds, or the individual or legal person who has the status of protector or administrator, is domiciled in the country; c) any of the parts of a consortium is domiciled in the country. This obligation will be complied with through the presentation to the Tax Authority of an informative Sworn Statement, which must contain the information on the end beneficiary, and be submitted, in accordance with the regulations and within the deadlines established by Superintendency Resolution issued by SUNAT. Pursuant to SUNAT Resolution 185-2019-SUNAT, the obligation will be applied gradually, starting with taxpayers who, as of November 30, 2019, are classified as main taxpayers. The Company has already submitted to SUNAT information on their ultimate beneficiaries.

(iii) The Tax Code regarding the application of the General Avoidance Prevention Rule was amended (Rule XVI of the Preliminary Heading of the Tax Code) (Legislative Decree No. 1422). As part of this amendment, a new assumption of joint and several liability is envisaged, when the tax debtor is subject to the application of the measures provided by Rule XVI in the event that tax evasion cases are detected; in such case, the joint and several liability shall be attributed to the legal representatives provided that they have cooperated with the design or approval or commission of acts or situations or economic relations foreseen as elusive in Rule XVI. In the case of companies with a Board of Directors, it is up to this corporate body to define the tax strategy of the entity, having to decide on the approval or not of acts, situations or economic relations to be carried out within the framework of tax planning, this power being non-delegable. The acts, situations and economic relations carried out within the framework of fiscal planning and implemented on the date of entry into force of Legislative Decree No. 1422 (September 14, 2018) and which continue to have effect, must be evaluated by the Board of Directors of the legal entity for the purpose of ratification or amendment until March 29, 2019, without prejudice to the fact that the management or other administrators of the company have approved before the aforementioned acts, situations and economic relations.

Moreover, it has been established that the application of Rule XVI, regarding the recharacterization of tax evasion cases, will take place in the final inspection procedures in which acts, facts or situations occurring from July 19, 2012 will be reviewed.

(iv) Amendments to the Income Tax Law, in force as from January 1, 2019, to improve the tax treatment applicable to (Legislative Decree No. 1424):

- The income obtained from indirect sale of shares or ownership interests representing legal entities domiciled in the country. One of the most relevant changes is the inclusion of a new assumption for indirect sale, which is applied when the total amount of shares of the legal entity domiciled in the country is equal or higher than 40,000 tax units.
- The permanent establishments of sole proprietorship, companies and entities of any nature incorporated abroad. To this effect, new assumptions for permanent establishment were incorporated, for example, when services are provided in the country for the same project or service, or for another related to it, for a period exceeding 183 calendar days per any twelve-month period.
- The credit regime against Income Tax for taxes paid abroad, to be incorporated into the indirect credit (corporate tax paid by foreign subsidiaries) as applicable credit against the Income Tax of domiciled legal entities, in order to avoid double economic taxation.
- The deduction of interest expenses to determine the business Income Tax. In 2019 and 2020, the debt limit, set at three times the net equity as of December 31 of the previous year, will be applicable to both loans with related parties and loans with third parties that are acquired from September 14, 2018. As of 2021, the deduction limit for financial expenses will be equivalent to 30% of the Company's tax EBITDA.

- (v) Rules have been established for the accrual of income and expenses for tax purposes as from January 1, 2019 (Legislative Decree No. 1425). Until 2018, there was no regulatory definition of this concept, and in many cases accounting rules were used for interpretation purposes. In general terms, with the new criteria, for the purpose of determining the Income Tax, it will now be taken into account whether substantial events for the generation of the income or expense agreed by the parties, who are not subject to a suspension, have occurred, in which case the recognition will occur when it is fulfilled and the opportunity for collection or payment established will not be taken into account; and, if the determination of the consideration depends on a future fact or event, the total or part of the corresponding income or expense will be deferred until that fact or event occurs.

On March 31, 2021, Superintendence Resolution 044-2021/SUNAT was published, which established the new default interest rates effective as from April 1, 2021. The default interest rate in national currency went down from 1 to 0.9. On the other hand, on March 31, 2020, Superintendence Resolution 066-2020/SUNAT was published, which established the new default interest rates effective as from April 1, 2020. The default interest rate in national currency went down from 1.2 to 1, and in case of the foreign currency from 0.6 to 0.5. Moreover, the interest rates for refund of undue payment or payments in excess in national currency went down from 0.50 to 0.42, whereas in foreign currency it went down from 0.30 to 0.25. In the case of interests for withholdings and/or earnings not applied with IGV, it went down from 1.2 to 1.

Through Legislative Decree 1488, published on May 10, 2020, a special depreciation regime is established, exceptionally and temporarily, for taxpayer under the Income Tax General Regime, the main aspects of which are the following:

- As of fiscal year 2021, buildings and constructions purchased between 2020 and 2022 will be depreciated applying an annual depreciation percentage of 20% until full depreciation, provided that the following conditions are met:
  - (i) The assets are fully assigned to the production of third-party taxable income category.
  - (ii) The construction would have started as of January 1, 2020. To such effect, the start of construction shall be understood as the time when the construction license or other document established by the Regulation is obtained.
    - (i) Until December 31, 2022, construction has a work progress of at least 80%. In case of construction has not been completed by December 31, 2022, it is presumed that the construction progress is less than 80%, except if proven otherwise by the taxpayer. The construction is understood to have been completed when it has obtained from the municipality the work acceptance or any other document specified in the Regulation.
- As from 2021, the assets purchased between 2020 and 2021, the following assets acquired from fiscal year 2020 and 2021, assigned to the production of taxable income, will be depreciated by applying the following annual percentages until full depreciation:
  - Data processing equipment: 50%
  - Machinery and equipment: 20%
  - Land transport vehicles (except for railroads) with EURO technology IV, Tier II and EPA 2007, used by authorized companies: 33.3%
  - Hybrid or electric land transport vehicles (except for railroads).
- (d) Tax authorities are entitled to review and, if necessary, amend the income tax and general sales tax calculated by the Company during the last four years from the date of filing of the tax returns. The tax returns for income tax for years 2019, 2020, 2021 and 2022 and for general sales tax for December 2018 through December 2023 are pending review by tax authorities.
 

Upon closing the oversight on the income tax for years 2016, 2017 and 2018, the Company has accepted some observations from the Superintendency of Tax Administration (SUNAT), basically with temporal effects, and has started claim processes for other observations.

Due to the possible interpretations by tax authorities of existing legal rules, it is not possible to determine to date if the reviews will result in liabilities for the Company. Consequently, any eventual higher tax or surcharge that may result from any tax reviews would be applied to income for the year in which it is determined. However, in the opinion of Management and its legal counsel, any additional tax assessment would not be significant to the financial statements as of December 31, 2023 and 2022.
- (e) In accordance with the Income Tax Law and its amendments, companies established in Peru that have generated tax losses may apply it to reduce the income tax payable in future years through the voluntary application of one of the following methods:
  - i. Method A -
 

The tax loss may be used up to four years after its generation.
  - ii. Method B -
 

The tax loss may be offset with future profits year after year until its maturity date, applying 50% of its taxable base.



As of December 31, 2023, the Company does not have tax losses to offset.

30. Contingencies

As of December 31, 2023 and 2022, the Company has legal and arbitration proceedings yet to resolve, as well as administrative and tax proceedings relating to its activities. In opinion of the Management and its legal counsel, liabilities deemed appropriate have been recorded based on the information available as of December 31, 2023 and 2022, and no additional liabilities are believed to arise other than those already recorded by the Company. In this regard, a brief description of certain disputes of the Company:

(a) Contingent Assets

- We maintain a contract dispute which, in the opinion of external legal counsel, has a highly probability of success. If the ruling is in favor of the Company, it will have a positive impact on the Company's financial statements.

(b) Contingent Liabilities

- We maintain a dispute with a supplier derived from a contract terminated by the Company, which may be referred to an arbitration proceeding. An unfavorable result in this arbitration proceeding may result in a contingency for the Company; however, in opinion of our external counsel, the Company has sound legal basis in an eventual arbitration proceeding.
- We maintain a dispute with a local authority derived from a tax procedure related to the calculation of municipal taxes in one of our operation sites. An unfavorable result of this proceeding may result in a contingency for the Company; however, in opinion of our external counsel, the Company has sound legal basis in an eventual arbitration proceeding.

31. Commitments

(a) Power purchase agreements

As of December 31, 2023, the Company maintains the following power purchase agreements:

		Contracted Capacity	
		Peak Hours (MW)	Off-Peak Hours (MW)
Long-Term Agreements from Biddings			
Luz del Sur	ED-02-2009-LP	70.67	70.67
Luz del Sur	ED-03-2009-LP	20.73	20.73
Luz del Sur	LDS-01-2011-LP	50.22	50.22
Luz del Sur	LDS-01-2011-LP-II	24.61	24.61
<b>Total Luz del Sur</b>		<b>166.23</b>	<b>166.23</b>
Enel Distribución Perú			
	ED-02-2009-LP	83.35	83.35
	ED-03-2009-LP	25.78	25.78
	LDS-01-2011-LP	8.97	8.97
	LDS-01-2011-LP-II	6.79	6.79

<b>Total Enel Distribución Perú</b>		<u>124.88</u>	<u>124.88</u>
Seal	ED-01-2009-LP	6.21	6.21
Seal	ED-02-2009-LP	18.80	18.80
Seal	ED-03-2009-LP	<u>5.59</u>	<u>5.59</u>
<b>Total Seal</b>		<u>30.60</u>	<u>30.60</u>
Electronoroeste	ED-01-2009-LP	15.31	15.31
Electronoroeste	ED-02-2009-LP	14.63	14.63
Electronoroeste	HID-2009-LP	<u>6.14</u>	<u>6.14</u>
<b>Total Electronoroeste</b>		<u>36.08</u>	<u>36.08</u>
Electrosureste	ED-02-2009-LP	12.97	12.97
Electrosureste	ED-03-2009-LP	<u>4.01</u>	<u>4.01</u>
<b>Total Electrosureste</b>		<u>16.99</u>	<u>16.99</u>
Hidrandina	HID-2009-LP	<u>7.64</u>	<u>7.64</u>
<b>Total Hidrandina</b>		<u>7.64</u>	<u>7.64</u>
Electronorte	HID-2009-LP	<u>4.23</u>	<u>4.23</u>
<b>Total Electronorte</b>		<u>4.23</u>	<u>4.23</u>
Electrosur	ED-02-2009-LP	9.44	9.44
Electrosur	ED-03-2009-LP	<u>3.06</u>	<u>3.06</u>
<b>Total Electrosur</b>		<u>12.50</u>	<u>12.50</u>

		Contracted Capacity	
Long-Term Agreements from Biddings		Peak Hours (MW)	Off-Peak Hours (MW)
Edecañete	LDS-01-2011-LP	0.81	0.81
Edecañete	LDS-01-2011-LP-II	0.61	0.61
<b>Total Edecañete</b>		<b>1.42</b>	<b>1.42</b>
Electropuno	ED-03-2009-LP	2.69	2.69
<b>Total Electropuno</b>		<b>2.69</b>	<b>2.69</b>
<b>Total Agreements from Biddings</b>		<b>403.24</b>	<b>403.24</b>

		Contracted Capacity	
Bilateral agreements		Peak Hours (MW)	Off-Peak Hours (MW)
Coelvisac		20.98	20.98
Distriluz		78.51	88.78
Edelnor		85.00	85.00
Electronoroeste		2.50	2.50
Electrosur		13.75	14.25
ElectroSurEste		19.70	19.70
ElectroUcayali		2.4	2.4
Seal		41.86	41.86
<b>Total bilateral agreements</b>		<b>264.70</b>	<b>275.46</b>
<b>Total Regulated</b>		<b>668.43</b>	<b>678.70</b>

		Contracted Capacity	
Agreements Free Clients		Peak Hours (MW)	Off-Peak Hours (MW)
Administradora Jockey Plaza Shopping Center S.A		17.00	17.00
Anglo American Quellaveco S.A.		187.40	187.40
Austral Group S.A.A.		10.00	10.00
Casa Grande S.A.A.		6.00	6.00
Compania Minera Antamina S.A.		170.00	170.00
Compañia Minera Chungar S.A.C		16.94	16.94
Corporacion Electrica Del Ecuador Celec EP		40.00	40.00

	Contracted Capacity	
	Peak Hours (MW)	Off-Peak hours (MW)
<b>Agreements Free Clients</b>		
Empresa Administradora Cerro S.A.C	22.44	16.50
Esmeralda Corp S.A.C.	10.00	10.00
Gloria S.A	31.00	31.00
Industrias Cachimayo S.A.	29.00	29.00
Inversiones Nacionales De Turismo S.A	5.13	5.13
Inversiones San Borja S.A.	5.58	5.58
Lima Airport Partners S.R.L.	19.80	19.80
Linde Peru S.R.L.	5.90	5.90
Marcobre S.A.C.	84.00	84.00
Minera Shouxin Perú S.A.	25.50	25.50
Parque Lambamani S.A.C	6.06	6.06
Pesquera Diamante S.A.	12.00	12.63
Productos De Acero Cassado S.A	7.10	7.10
San Fernando S.A	7.17	7.17
Sociedad Minera Cerro Verde S.A.A	170.00	170.00
Trupal S.A	25.00	25.00
Volcan Compañía minera S.A.A	53.90	53.90
Yura S.A	62.00	70.00
Other	70.60	100.39
<b>Total Agreements Free Clients</b>	<b>1,099.53</b>	<b>1,132.00</b>
<hr/>		
<b>Total agreements (Regulated + Free)</b>	<b>1,767.47</b>	<b>1,810.71</b>
<hr/>		

(b) Letters of guarantee and securities

The main letters of guarantee and securities held by the Company are:

- (i) The Company maintains a performance security for the Yuncan usufruct agreement in the amount of US\$ 2,000 in favor of Activos Mineros S.A.C.
- (ii) In favor of the Ministry of Energy and Mines US\$ 27,500 for the Nodo Energético project.  
  
In favor of the Ministry of Energy and Mines US\$ 4,500 for the Cold Reserve Generation – Ilo Plant – Operation Security.
- (iii) Letter of guarantee in the amount of S/21,508,482, to guarantee compliance with the sentence issued by the Mixed Court of Ilo, pending resolution of the cassation appeal filed in the context of a judicial proceeding in process.

32. Financial risk management objectives and policies



(a) Financial risk management

The Company is exposed to the following risks related to the use of financial instruments:

(i) Risk management framework

Management is responsible for establishing and supervising the risk management structure. The Finance Division is responsible for risk management. This department identifies, evaluates and manages financial risks.

The Company's risk management policies are established to identify and assess the risks to which the Company is exposed and set adequate risk limits and controls and monitor risks and compliance of limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company operations.

The Company seeks to develop a disciplined and constructive control environment through its risk management standards and procedures in which all personnel fully understand their functions and duties.

(ii) Credit risk

The Company's financial assets potentially exposed to credit risk concentrations, mainly comprise bank deposits and accounts receivable included in the statement of financial position.

The Company mitigates the credit risk concentration through the policy by distributing its excess funds in top-tier financial institutions.

On the other hand, the credit risk corresponding to accounts receivable from the business activity is historically very low given the short term for collection to clients, which prevents accumulation of individually significant amounts.

Company's Managements regularly assesses the credit risk of its client portfolio, based on a methodology designed by its parent company, which takes into consideration factors such as: liquidity, indebtedness, profitability, years in the business, payment history, criminal record, and other factors.

Management believes that the amounts past due for more than 30 days are still fully chargeable based on historical payment behavior and analysis of the client credit risk, where available.

(iii)

Liquidity risk

Management is aware that the liquidity risk implies having sufficient cash and cash equivalents and having the possibility of committing or having financing committed through an adequate number of credit sources. The Company maintains suitable levels of cash and cash equivalents and available lines of credit.

The following table shows the maturity profile of the Company's financial liabilities based on non-discounted contractual obligations:

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
<b>12/31/2023</b>					
Other financial liabilities:	69,454	33,481	413,860	204,497	721,292
Leases IFRS 16	599	593	1,485	722	3,399
Trade accounts payable	77,992	-	-	-	77,992
Other accounts payable to related companies	1,614	-	-	-	1,614
Other accounts payable	13,999	-	-	-	13,999
<b>Total</b>	<b>163,658</b>	<b>34,074</b>	<b>415,345</b>	<b>205,219</b>	<b>818,296</b>
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
<b>12/31/2022</b>					
Other financial liabilities:	128,387	62,062	270,306	337,756	798,511
Leases IFRS 16	1	494	1,482	2,577	4,554
Trade accounts payable	71,520	-	-	-	71,520
Other accounts payable to related companies	1,708	-	-	-	1,708
Other accounts payable	11,688	-	-	-	11,688
<b>Total</b>	<b>213,304</b>	<b>62,556</b>	<b>271,788</b>	<b>340,333</b>	<b>887,981</b>

The previous table does not include hedge financial derivatives as the Management believes that such contracts are effectively liquidated on a net base; as a consequence, the hedge derivatives flow and the reconciliation of amounts equivalent to carrying values of the discounted net flow generated by these instruments are shown below:

<b>12/31/2023</b>									
Net liquidation – Asset - Cross Currency Swap		Less than 3 months	Between 3 months and 1 year	1 to 5 years	More than 5 years	Total			
		US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)			
		2,930	7,493	25,287	6,354	42,064			
<b>Total</b>		2,930	7,493	25,287	6,354	42,064			
		Less than 3 months	Between 3 months and 1 year	1 to 5 years	More than 5 years	Total			
		US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)			
<b>12/31/2022</b>		1,097	8,018	33,266	9,968	52,349			
Net liquidation – Asset - Cross Currency Swap		1,097	8,018	33,266	9,968	52,349			
<b>Total</b>		1,097	8,018	33,266	9,968	52,349			

### Changes in liabilities from financing activities -

The changes in liabilities from financing activities for the years ended

December 31, 2023 and 2022 are shown below:

	Balance as of January 1, 2023 US\$(000)	Cash flow US\$(000)	Effect of exchange rate US\$(000)	Financing and other US\$(000)	Balance as of December 31, 2022 US\$(000)
Other financial liabilities:					
Loans from banking entities	356,430	(120,000)	10,534	83,036	330,000
Bonds	247,711	-	5,913	(1)	253,623
Financial leases	-	(30,408)	-	30,408	-
<b>Total</b>	<b>604,141</b>	<b>(150,408)</b>	<b>16,447</b>	<b>113,443</b>	<b>583,623</b>
	Balance as of January 1, 2023 US\$(000)	Cash flow US\$(000)	Effect of exchange rate US\$(000)	Financing and other US\$(000)	Balance as of December 31, 2022 US\$(000)
Other financial liabilities:					
Loans from banking entities	292,195	(199,292)	(473)	264,000	356,430
Bonds	238,774	-	8,937	-	247,711



Financial leases	1,064	(1,064)	-	-	-
Dividends payable	-	(34,063)	-	34,063	-
<b>Total</b>	<b>532,033</b>	<b>(234,419)</b>	<b>8,464</b>	<b>298,063</b>	<b>604,141</b>

(iv) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by the market risk include loans and deposits maintained by the Company.

The sensitivity analyses illustrated in the following sections are associated with the position as of December 31, 2023 and 2022, and were prepared on the basis that the net debt amount, the proportion of fixed and variable interest and the proportion of financial instruments in foreign currency remain constant.

(v) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company minimizes its foreign exchange risk with a hedge policy formulated based on projected cash flows and contemplates maintaining a balance between flows indexed to sales and the levels of assets and liabilities in such currency. The purpose is to minimize the exposure of flows to the risk of exchange rate variations. The result of maintaining balances in foreign currency for the Company as of December 31, 2023 was a gain in the amount of US\$ 460 (gain in the amount of US\$ 4,296 as of December

31, 2022), which is included in line item “Exchange difference, net” in the statement of comprehensive income.

As of December 31, 2023, the weighted exchange rate published by the Superintendence of Banking, Insurance and Pension Fund Managers (SBS) for transactions in US dollars was US\$ 0.2693/PEN for selling operations and US\$ 0.2699/PEN for purchase operations (US\$ 0.2618 for sale and US\$ 0.2626 for purchase as of December 31, 2022), as summarized below:

	12/31/2023	12/31/2022
	S/(000)	S/(000)
Assets		
Cash and cash equivalent	19,855	17,144
Trade accounts receivable, net	298,295	355,909
Other accounts receivable, net	169,908	246,603
	<hr/>	<hr/>
<b>Total</b>	<b>488,058</b>	<b>619,656</b>
	<hr/>	<hr/>
Liabilities		
Trade accounts payable	85,991	84,173
Liabilities for employees' benefits	19,784	16,758
Other accounts payable	65,053	64,186
Financial obligations	810,000	971,677
	<hr/>	<hr/>
<b>Total</b>	<b>980,828</b>	<b>1,136,794</b>
	<hr/>	<hr/>
Hedge debt	(810,000)	(971,677)
	<hr/>	<hr/>
<b>Total net asset position</b>	<b>317,230</b>	<b>454,539</b>
	<hr/>	<hr/>

The exchange risk hedge policy is formulated based on projected cash flows and contemplates maintaining a balance between flows indexed to soles and the levels of assets and liabilities in such currency. The purpose is to minimize the exposure of flows to the risk of exchange rate variations.

Presented below is the sensitivity analysis, assuming a reasonably possible change (revaluation/devaluation) of the US dollar (US\$) exchange rate. For this analysis, all other variables have been deemed to remain constant over the balances of previously reflected monetary assets and liabilities and which would have an impact on the Company's profit before income tax as a result of changes in the fair value of assets and liabilities in foreign currency.

For the years ended December 31, 2023 and 2022, the gain for exchange rate is as follows:

	Increase (decrease) in exchange rate	Effect on profit before income tax US\$(000)
<b>12/31/2023</b>		
U.S. Dollars / Soles	10%	12,056
U.S. Dollars / Soles	-10%	(14,733)
<b>12/31/2022</b>		
U.S. Dollars / Soles	10%	12,307
U.S. Dollars / Soles	-10%	(15,042)

For the years ended December 31, 2023 and 2022, the loss for exchange rate is as follows:

	12/31/2023	12/31/2022
	US\$(000)	US\$(000)
<b>Assets</b>		
Exchange difference Corporate Bond and loans	(16,447)	(8,464)
Exchange difference monetary items	460	4,296
Derivative financial instruments of loans (note 12(a))	10,534	(473)
Derivative financial instruments of Corporate Bonds, note 12)	<u>5,913</u>	<u>8,937</u>
<b>Total</b>	<u>460</u>	<u>4,296</u>

#### rate risk

The Company does not have significant assets bearing interests; the operating income and cash flows of the Company are independent from changes in market interest rates. The Company's exposure to this risk is basically due to its financial obligations.

Debts at variable rates may expose the Company to the interest rate risk over its cash flows. The Company minimizes this risk by partially contracting its contractual obligations at fixed interest rates, either with debts initially issued at fixed interest rates or contracting derivative financial instruments transforming the interest rate risk from variable to fixed.

The portion of financial obligations at fixed rate or hedged as of December 31, 2023 and 2022 is 100%, and the Company believes that it will not be affected by the risk of interest rate fluctuations as it is within the adequate band on which it manages its debt composition at fixed and variable rates.

On the other hand, debts at fixed rates may expose the Company to the interest rate over the fair value of its financial liabilities. In this regard, the Company believes that this risk is not material as the interest rates in its financing contracts do not differ significantly from market interest rates.

Management believes that future fluctuations in interests' rates will not significantly affect future income from its operations.

#### (b) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a sound credit rating and healthy capital ratios to sustain its business maximize the value for the shareholder.

The Company manages its capital structure and makes relevant adjustments in such structure according to changing economic conditions. To maintain or adjust its capital structure, the Company may modify the payment of dividends to shareholders, return capital to shareholders or issue new shares.

No changes were made to the objectives, policies or processes relating to capital management as of December 31, 2023 and 2022.

The Company controls its capital using an indebtedness ratio, defined as the quotient between the gross debt and the total capital



plus the gross debt. In Company's Management opinion, the indebtedness ratios as of December 31, 2023 and 2022 are consistent with the Company's financial policy.

	2023	2022
	US\$(000)	US\$(000)
Otros pasivos financieros (i)	587,022	606,537
Cuentas por pagar comerciales	77,992	71,520
Cuentas por pagar a entidades relacionadas	1,614	1,708
Otras cuentas por pagar	13,999	11,688
Menos: efectivo y equivalente de efectivo	(77,221)	(80,928)
<b>Deuda neta</b>	<b>603,406</b>	<b>610,525</b>
<b>Total Patrimonio</b>	<b>1,173,704</b>	<b>1,145,429</b>
<b>Ratio apalancamiento (veces)</b>	<b>0.5141</b>	<b>0.5330</b>

(i) Incluye efecto de implementación de NIIF 16 (nota 15)

### 33. Measurement at fair value

Fair value is defined as the amount at which an asset may be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction, under the assumption that the entity is an ongoing concern.

When a financial instrument is traded in a liquid and active market, its price as set in a real market transaction offers the best evidence of its fair value. When no price is set in the market or the latter may not be indicative of the instrument's fair value, the market value of another substantially similar instrument, the analysis of discounted flows or other applicable techniques may be used to determine this fair value, which is materially affected by the assumptions used. Although Management has used its best judgment in estimating the fair values of its financial instruments, any technique for making these estimates entails a certain level of inherent fragility. As a result, fair value may not be indicative of the net realizable or liquidation value of financial instruments.

Management estimates that the carrying value of the Company's financial instruments (current assets and liabilities) as of December 31, 2023 and 2022, does not significantly differ from their fair value due to their short-term maturity.

Except for the following headings, Company's Management estimates that the carrying value of financial instruments recorded at amortized cost is approximately their fair value due to their short-term maturity:

	12/31/2023		12/31/2022	
	Carrying value	Fair value	Carrying value	Fair value
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
<b>Financial liabilities:</b>				
Corporate bonds	253,623	251,690	247,710	241,112
Bank loans	330,000	330,000	356,430	356,430
Financial leases	3,399	3,399	2,397	2,667
<b>Total</b>	<b>587,022</b>	<b>585,089</b>	<b>606,537</b>	<b>600,209</b>

In case of long-term debts, Management believes that the carrying value is less than their fair value as the effective rates at the transaction date are, in average, lower than those prevailing in the market.

For the calculation of the fair value, Management has projected each long-term debt of the Company in accordance with the terms and conditions agreed at the time of the transaction, and has discounted them at current market rates taking into consideration the following factors: type of facility, amortization scheme, term and equivalent term, credit risk of the Company, country where the debt was disbursed, among other factors.

Market rates have been obtained through a combination of public sources, as well as recent bank quotes received by the Company. These fair values would be classified as level 2, as the measurements corresponds to variables based on observable market data, either directly or indirectly, different than the quoted prices included in level 1.

The Company has entered into derivative financial instruments agreements with a financial entity with sound credit rating. The derivative valued through valuation techniques that uses observable market data is a cross currency swap. The valuation technique most frequently used is the term pricing model using present value calculations. The model incorporates data including the credit capacity of the parties, the exchange for cash and term transactions, interest rate curves and underlying commodity prices.

The Company uses cross currency swaps to manage certain exposures in its transactions. The features and effects of such contracts are described below:

#### Cash Flow Hedge:

As of December 31, 2023, the fair value of cross currency swap contracts adds up to a net liability for US\$ 8,509 (US\$ 24,739 as of December 31, 2022) (Note 12)

#### Fair value hierarchy:

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments in accordance with the valuation technique used:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques (no observable market input).

As of December 31, 2023 and 2022, the Company had the following instruments at fair value in the statement of financial position:

	12/31/2023	12/31/2022
	US\$(000)	US\$(000)
Liabilities measured at fair value:		
Level 2		
Cross currency swap	(8,509)	(24,739)
	<hr/>	<hr/>
<b>Total</b>	<b>(8,509)</b>	<b>(24,739)</b>
	<hr/>	<hr/>

Events occurring after the reporting period

Between December 31, 2023 and the date of approval of the financial statements dated February 29, 2024, no subsequent significant events of financial – accounting nature have occurred, which may affect the interpretation of the accompanying financial statements



## Certificate of Qualification

The undersigned Dean and the Secretary Director of the Lima Association of Public Accountants declare that, based on the records of the institution, it has been verified that:

**TANAKA VALDIVIA & ASOCIADOS SOCIEDAD CIVIL  
DE RESPONSABILIDAD LIMITADA**  
**REGISTRATION NO: S0761**

Is ABLE to exercise the professional functions authorized by Law No. 13253 and its amendment Law No. 28951 and in accordance with the Bylaws and Internal Regulations of this College; in witness whereof and at the request of a party, this certificate is hereby issued for the effects and uses he deems convenient.

Lima, JULY 20, 2023

  
CPC. RAFAEL ENRIQUE VELASQUEZ SORIANO  
DECANO

  
CPC. DAVID EDUARDO BAUTISTA IZQUIERDO  
DIRECTOR SECRETARIO

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IMAGE:

CPC Rafael Enrique Velasquez Soriano.  
Dean

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# MAIN REGULATIONS IN THE ELECTRICAL SECTOR



## MAIN REGULATIONS IN THE ELECTRICAL SECTOR

Reference of the main regulations governing the electrical sector is presented below. For further information, please refer to each regulation in detail.

<b>11-19-1992</b> <b>First Reform</b> <b>Decree Law No. 25844, Electrical Concessions Law"</b>	<ul style="list-style-type: none"> <li>Power Generation, Transmission and Distribution activities were separated to prevent them from being performed by a single holder.</li> <li>Trading activities are permitted to be performed by Generation<sup>1</sup> and Distribution<sup>2</sup> Companies. <ul style="list-style-type: none"> <li>The prices to be paid by Users for Transmission and Distribution activities are set by the regulator (now Osinergmin).</li> </ul> </li> <li>Two markets were established for generation prices: a) for large consumers (Free Users<sup>3</sup>), generation prices are freely agreed with suppliers, and b) for Regulated Users, prices are to be set by Osinergmin.</li> <li>The marginal cost system was introduced to determine prices in the short-term wholesale market, at which energy transfers are paid between generation companies. Such price shall be the variable cost<sup>4,5</sup> of the most expensive unit used to satisfy the demand at each market Interval<sup>6</sup>.</li> <li>The capacity payment regime to generation units was established with a price set by Osinergmin for the firm capacity<sup>7</sup> of these units.</li> </ul>
<b>02-25-1993</b> <b>Supreme Decree No. 009-93-EM, "Regulation of the Electrical Concessions Law"</b>	<ul style="list-style-type: none"> <li>The regulatory provisions governing the power generation, transmission, distribution and trading activities were established.</li> </ul>
<b>10-10-1997</b> <b>Supreme Decree No. 020-97-EM, that approves the Technical Quality Standard of Electrical Services-NTCSE</b>	<ul style="list-style-type: none"> <li>The minimum quality levels are established for electrical services, including public lighting, and the obligations of power companies and clients operating under the Electrical Concessions Law.</li> <li>The NTCSE contemplates procedures to conduct measurements and establishes tolerances, allocating responsibility for its application to OSINERGMIN; as well as the application of penalties and compensations to power companies and clients in case of failure to comply with the tolerances of the parameters set out in the regulation.</li> </ul>
<b>07-23-2006</b> <b>Second Reform</b> <b>Law No. 28832 – Law to Ensure the Efficient Generation Development (LGE)</b>	<ul style="list-style-type: none"> <li>The Bidding mechanism was implemented for Generation Companies to sell electricity to Distribution Companies at the prices set in such Biddings instead of prices set by Osinergmin.</li> <li>The 2-year Transmission Plan was established for the expansion of the transmission system. <ul style="list-style-type: none"> <li>The demand was incorporated into the Electricity Short-Term Market<sup>8</sup>.</li> <li>A specific regulation was established for total or partial interruption in the natural gas supply chain to power generation plants.</li> </ul> </li> </ul>
<b>05-17-2007</b> <b>Supreme Decree No. 027-2007-EM "Transmission Regulation"</b>	<ul style="list-style-type: none"> <li>Regulated Law 28832 regarding the transmission activity.</li> <li>Defined the facilities comprising the Guaranteed Transmission System and the Supplementary Transmission System.</li> <li>Establishes provisions for the approval of the Transmission Plan and the bidding of facilities approved in this plan.</li> </ul>
<b>09-19-2007</b> <b>Supreme Decree No. 052-2007-EM "Regulation of Electricity Supply Biddings"</b>	<ul style="list-style-type: none"> <li>Establishes the general provisions for Biddings conducted by distribution companies to meet the demand of their clients, and for the respective agreements to be entered into with generation companies.</li> </ul>
<b>05-02-2008</b> <b>Legislative Decree No. 1002, "Promotion of Investment for Power Generation with the use of Renewable Energies"</b>	<ul style="list-style-type: none"> <li>The incentive mechanism was created for the incorporation of generation units with nonconventional renewable sources (tidal, wind, solar, biomass, geothermal and hydropower below 20 MW) through auctions carried out by Osinergmin.</li> </ul>
<b>06-26-2008</b> <b>Legislative Decree No. 1041</b>	<ul style="list-style-type: none"> <li>Establishment of the regulatory framework, whereby Proinversión carried out the bidding for the incorporation of</li> </ul>

	cold reserve units in the system <sup>9</sup> to operate in exceptional situations.
<b>04-16-2009</b> <b>Supreme Decree No. 22-2009-EM, "Regulation for Electricity Free Users"</b>	<ul style="list-style-type: none"> <li>It establishes the minimum requirements to be considered for a User connected to the SEIN to select, at its own judgment, to be a Regulated User or a Free Users, as well as the general aspects to be considered in supply agreements of Free Users.</li> </ul>
<b>04-29-2010</b> <b>Emergency Decree No. 032-2010-EM, "Emergency Decree that provides measures to expedite investment and facilitate financing for the execution of electricity projects"</b>	<ul style="list-style-type: none"> <li>Establishment of the regulatory framework whereby Proinversión carried out biddings to incorporate hydropower plants<sup>10</sup> for power supply to Regulated Users.</li> </ul>
<b>12-22-2010</b> <b>Law No. 29970, "Law that consolidates the energy security and promotes the petrochemical pole in the southern part of the country"</b>	<ul style="list-style-type: none"> <li>The implementation of measures to consolidate the energy security in the country was declared of national interest through the diversification of energy sources and reliability of the energy supply chain. The bidding for the development of power generation plants of the "Nodo Energético del Sur"<sup>11</sup> was carried out. Certain provisions on the use of natural gas were also provided.</li> </ul>
<b>09-24-2015</b> <b>Legislative Decree No. 1221, "Improvement of the Electricity Distribution Regulation to promote Access to Electricity in Peru"</b>	<ul style="list-style-type: none"> <li>It established the promotion of Distributed Generation for all users with non-conventional renewable energy generation or cogeneration equipment.</li> </ul>
<b>06-28-2016</b> <b>Supreme Decree No. 026-2016-EM, which approves the Wholesale Electricity Market Regulation</b>	<ul style="list-style-type: none"> <li>It established that the Wholesale Market is composed of the short-term market (STM) and the mechanism for allocation of supplementary services, operating non-flexibilities and allocation of congestion income. Participants who are authorized to purchase in the STM are: generation companies to comply with their supply agreements; distribution companies to supply their free clients up to 10% of the maximum demand, and large users to cover up to 10% of its maximum demand.</li> </ul>
<b>12-13-2017</b> <b>Supreme Decree No. 040-2017-EM</b>	<ul style="list-style-type: none"> <li>It modified articles 95 and 96 of the Regulation of Electrical Concessions Law, in order to regulate, among others, the presentation of the information of the generation units corresponding to start-up time, minimum power, minimum operation time and minimum time between starts, to be used in the programming of the operation, as well as any other of a similar nature that implies an Operational Inflexibility of the unit.</li> </ul>
<b>08-31-2019</b> <b>OSINERGMIN Resolution No. 144-2019-OS/CD</b>	<ul style="list-style-type: none"> <li>It established a methodology to determine the firm capacity for wind, solar and tidal generation units. This methodology allows for economic revenues for firm capacity, unlike the previous regulation, which considered a firm capacity equal to zero.</li> </ul>
<b>09-26-2019</b> <b>OSINERGMIN Resolution No. 161-2019-OS/CD, that approves the Procedure for the Supervision of the Parameters of the Operational Inflexibilities of the Generation Units of SEIN.</b>	<ul style="list-style-type: none"> <li>It established the procedures for the delivery of information corresponding to operational inflexibilities and the supervision and inspection actions of the parameters reported by the SEIN generation companies.</li> </ul>
<b>12-19-2020</b> <b>Supreme Decree 031-2020-EM "Supreme Decree that establishes the provisions for determining the natural gas price for power generation"</b>	<ul style="list-style-type: none"> <li>It established that for the application of article 99 of the Regulation of the Electrical Concessions Law, the Committee for the Economic Operation of the System is required to submit to OSINERGMIN, within thirty (30) business days following the publication of the Supreme Decree, the proposed amendment of the technical procedures related to the determination of the variable costs of thermal generation units running on natural gas. OSINERGMIN is required to approve the proposed procedures within 60 business days.</li> </ul>
<b>01-07-2021</b> <b>Law No. 31112 - Law that establishes previous control of business concentration operations</b>	<ul style="list-style-type: none"> <li>This regulation establishes previous control of business concentration operations in order to promote effective competition and economic efficiency in the markets for the wellbeing of consumers. Additionally, this law provides that it will be effective 15 calendar days after approval of the amendments to the Regulation of INDECOP's Organization and Roles Law and all other management instruments of the entity, in order to adapt them as provided by the law. It should be noted that Law No. 31112 came into effect on June 14, 2021 after INDECOP approved the corresponding amendments to its Organization and Roles Regulation. When this law came into full force and effect, Emergency Decree No. 013-2019 and Law No. 26876 were repealed.</li> </ul>



<b>01-30-2021</b> <b>Supreme Decree No. 003-2021-EM that Improves the Efficient Use of Gas Transport Capacity for Thermal Power Generation with Camisea Natural Gas and the Payment of Firm Capacity.</b>	<ul style="list-style-type: none"> <li>This regulation amends section VII, paragraph c), of article 110 of the Regulation of the Electrical Concessions Law, defining a Contracting Reference Factor (FRC) of the Daily Reserved Quantity of natural gas transport agreements per type of technology to be approved by OSINERGMIN. Additionally, it permits generators to certify the guarantee of firm transport capacity through transfers in the Natural Gas Secondary Market.</li> </ul>
<b>03-04-2021</b> <b>Supreme Decree No. 039-2021-PCM that approves the Regulation of Law No. 31112, Law that established previous control of business concentration operations.</b>	<ul style="list-style-type: none"> <li>The regulation of Law No. 31112, Law that established previous control of business concentration operations is approved.</li> </ul>
<b>05-01-2021</b> <b>Ministry Resolution No. 130-2021-MINEM/DM that Sets the Reserve Margin values of the National Interconnected Electrical System.</b>	<ul style="list-style-type: none"> <li>The Reserve Margin values of the National Interconnected Electrical System are set for the period between 2021 and 2025.</li> </ul>
<b>05-04-2021</b> <b>Resolution No. 092-2021-OS/CD, Amendment to the Technical Procedure of COES No. 31 "Calculation of Variable Costs of Generation Units".</b>	<ul style="list-style-type: none"> <li>According to the provisions set out in Supreme Decree 031-2020-EM, the modification of Technical Procedure COES No. 31 "Calculation of the Variable Costs for Generation Units" is approved, establishing as a variable cost for plants running on natural gas the total costs of the supply chain. In accordance with this regulation, information on the natural gas price is to be submitted until June 20, to be applied from July 1, 2021.</li> </ul>
<b>05-27-2021</b> <b>Ministry Resolution No. 153-2021-MINEM/DM that Sets Peak Hours of the National Interconnected Electrical System to evaluate the unavailability of generation units</b>	<ul style="list-style-type: none"> <li>It sets the Peak Hours of the National Interconnected Electrical System from 17:00 and 23:00 hours for the period between 2021 and 2025.</li> </ul>
<b>05-29-2021</b> <b>Resolution OSINERGMIN No. 096-2021-OS-CD that approves the new Technical Procedure of COES No. 25 "Determination of Unavailability Factors, Presence and Incentives of Power Generation Units and Plants" (PR-25), on the Criteria and Methodology to determine the respective Reference Contracting Factors (FRC), and the FRC for the period comprised between June 01, 2021 to April 30, 2025"</b>	<ul style="list-style-type: none"> <li>It approved the values corresponding to the Reference Contracting Factor (FRC) valid for the period comprised between June 1, 2021 and April 30, 2025, as well as the amendment to Technical Procedure No. 25 Determination of Unavailability Factors, Presence and Incentives of Power Generation Units and Plants" for application of the FRC.</li> </ul>
<b>10-30-2021</b> <b>Supreme Decree No. 030-2021-MINAM that approves the Maximum Permissible Limits for atmospheric emissions from thermal power generation activities.</b>	<ul style="list-style-type: none"> <li>It established the limit of emissions for thermal power generation plants, the monitoring systems and evaluation of compliance.</li> </ul>
<b>01-25-2022</b> <b>Supreme Decree 003-2022-MINAM "Supreme Decree that declares climate emergency of national interest"</b>	<ul style="list-style-type: none"> <li>It declared the climate emergency of national interest in order to execute as a matter of urgency, measures to implement actions in accordance with the provisions of the Nationally Determined Contributions to the year 2030. It also includes, among others, (i) issues of evaluation of the carbon price and its progressive application, (ii) use of NCRE in the electricity generation matrix, with a projection of reaching 20% of its participation by 2030, and (iii) promotion for the development of technologies, use and production of green hydrogen.</li> </ul>
<b>09-02-2022</b> <b>Resolution OSINERGMIN No. 167-2022-OS/CD that approves the "COES Technical Procedure No. 34 "Determination of Maintenance Costs of Thermolectric Generation Units"</b>	<ul style="list-style-type: none"> <li>It establishes the criteria, methodology and process that the Member Generators must follow to determine the Variable Maintenance Cost of the Thermolectric Generation Units in each of their Modes of Operation, for approval by the COES.</li> </ul>
<b>11-23-2022</b> <b>Supreme Decree No. 011-2022-MC that approves the Regulation of Archaeological Interventions.</b>	<ul style="list-style-type: none"> <li>The regulation includes the authorization of archaeological interventions, the certification of non-existence of archaeological remains on the surface (CIRAS), the management of movable cultural materials recovered in archaeological interventions and the export of archaeological samples for scientific research purposes.</li> </ul>
<b>09-24-2023</b> <b>Supreme Decree No. 016-2023-EM that approves the Citizen Participation Regulations for carrying out Electrical Activities.</b>	<ul style="list-style-type: none"> <li>It establishes the mechanisms to strengthen the rights to citizen participation of the population involved, optimize the socio-environmental management of electrical activities and promote harmonious relationships between the population, the State and the owners of electricity generation, transmission and distribution activities throughout the country.</li> </ul>

1. To Free Users and Distribution Companies
2. To Free and Regulated Users within their concession

3. Initially, Free Users were those whose demand exceeded 1000 kW. Subsequently, with Law No. 28832, and its Regulation, Supreme Decree 022-2009-EM, published on April 16, 2009, Free Users and those whose maximum annual demand at each supply point exceeds 2500 kW; Regulated Users are those with a maximum annual demand equal to or less than 200 kW. Users with a demand above 200 kW up to 2500 kW may choose to be Regulated or Free Users.
  4. Defined in the ECL as the cost for producing one additional electricity unit.
  5. It refers to the cost that depends on the amount of energy produced, typically expressed in Soles/Megawatt-hour. In this case, it is mainly composed of the variable cost of the fuel used for electricity generation.
  6. The current market interval is 15 minutes.
7. Firm Capacity is defined in the ECL as: capacity that can be generated by each generation unit with high security. In the case of a hydropower plant, the firm capacity will be determined with a probability of exceedance of ninety-five percent (95%). In case of thermal power plants, the firm capacity needs to consider scheduled and unforeseen downtime factors.
8. At present, according to the Electricity Wholesale Market Regulation, approved by Supreme Decree 026-2016-EM, the following can purchase in this market:
  - a. Los Distribuidores para atender demanda de sus Usuarios Libres, hasta por un 10% de la máxima demanda registrada por el total de sus Usuarios Libres en los últimos 12 meses;
  - b. Large Users (with contracted capacity equal to or higher than 10 MW) to satisfy the demand for up to 10% of the maximum demand recorded in the last twelve (12) months.
9. The cold reserve plants built within this framework are: Talara, Ilo, Puerto Eten, Puerto Maldonado and Pucallpa.
10. The Chaglla and Cerro del Águila hydropower plants were built under this framework. The Pucará Hydropower Plant was also awarded but has not been built to date.
11. The bidding of the Nodo Energético del Sur included the Mollendo and Ilo Plants.

# LICENSES AND AUTHORIZATIONS



## LICENSES AND AUTHORIZATIONS

For the performance of its activities, ENGIE Energía Perú has been granted several permits, authorizations, licenses and concessions approved by the corresponding authorities, including the authorizations for thermal power generation, definitive generation and transmission concessions, as well as the resolutions imposing easements, as listed in the following tables.

### Generation Authorizations and Concessions

LEGAL REGULATION	DATE OF PUBLICATION	GENERATION UNIT
Ministry Resolution No. 265-98-EM/VME	06/10/1998	Ilo TPP
<b>As amended by the following resolution:</b>		
Ministry Resolution No. 395-2000-EM/VME <sup>1</sup>	10/17/2000	
Ministry Resolution No. 340-2005-MEM/DM	09/02/2005	Chilca 1 TPP (First, Second, Third and Fourth Unit)
<i>As amended by the following resolutions:</i>		
Ministry Resolution No. 608-2006-MEM/DM	01/07/2007	
Ministry Resolution No. 024-2008-MEM/DM	01/25/2008	
Ministry Resolution No. 179-2010-MEM/DM	04/29/2010	
Ministry Resolution No. 011-2015-MEM/DM	01/24/2015	Chilca 2 TPP
Ministry Resolution No. 217-2016-MEM/DM <sup>2</sup>	06/09/2016	
Supreme Resolution No. 059-2005-EM <sup>3</sup>	10/12/2005	Yuncan HPP
Supreme Resolution No. 023-2002-EM <sup>4</sup>	06/13/2002	Quitaracsa HPP
<b>As amended by the following resolutions (mainly):</b>		
Supreme Resolution No. 017-2004-EM <sup>5</sup>	03/15/2004	
Supreme Resolution No. 005-2010-EM <sup>6</sup>	02/03/2010	Quitaracsa HPP
Ministry Resolution No. 488-2015-MEM/DM <sup>7</sup>	11/12/2015	
Ministry Resolution No. 247-2021-MEM/DM <sup>8</sup>	09/03/2021	Quitaracsa HPP
Ministry Resolution No. 546-2011-MEM/DM	01/09/2012	Cold Reserve Ilo 31 Thermal Power Plant

<sup>1</sup> Through letter COES/D/DP-129-2020, the conclusion of the commercial transaction of Ilo 21 TPP was approved as of 12:00 a.m. on 12.31.22

2

Through Ministry Resolution No. 217-2016-MEM/DM, the amendment of the authorization of the Chilca 1 TPP was approved in favor of ENGIE Energía Perú, splitting it in two separate authorizations, being the Chilca 1 TPP composed of four (4) generation units with a rated capacity of 851.8 MW; and the new Chilca 2 TPP composed of two (2) generation units with a rated capacity of 110.9 MW.

<sup>3</sup> Supreme Resolution No. 059-2005-EM approved the assignment of contract position entered into with Empresa de Generación de Energía Eléctrica del Centro ("Egecen") and ENGIE Energía Perú, whereby Egecen assigned its contract position in favor of ENGIE Energía Perú for the performance of power generation activities with the Yuncan HPP.

<sup>4</sup> Through Supreme Resolution No. 023-2002-EM, the definitive concession was approved to perform the power generation activity in the Quitaracsa HPP in favor of S&Z Consultores Asociados S.A.

<sup>5</sup> Through Supreme Resolution No. 017-2004-EM, the assignment of contract position entered into between S&Z Consultores Asociados S.A. ("S&Z") and Empresa de Generación Eléctrica Quitaracsa S.A. ("Quitaracsa") was approved, whereby S&Z assigned in favor of Quitaracsa its position in the Concession Contract for the performance of power generation activities at the Quitaracsa HPP.

<sup>6</sup> Through Supreme Resolution No. 005-2010-EM the assignment of contract position entered into between Quitaracsa and ENGIE Energía Perú was approved, by which Quitaracsa assigned in favor of ENGIE Energía Perú its position in the Concession Contract for the performance of power generation activities at the Quitaracsa HPP.

<sup>7</sup> Through Ministry Resolution No 488-2015-MEM/DM the modification of the concession contract for the development of electricity generation activities with Quitaracsa HPP was approved to the extent of modifying the guaranteed schedule for the execution of works.

<sup>8</sup> Through Ministers Resolution No 247-2021-MEM/DM the amendment of Concession Contract for the performance of power generation activities with the Quitaracsa HPP at the end of the project location.



Ministry Resolution No. 229-2015-MEM/DM	05/20/2014	Nodo Energético del Sur of Perú Plant No. 2 – Moquegua Region
Ministry Resolution No. 312-2017-MEM/DM	08/01/2017	Intipampa Solar Power Plant
Ministry Resolution No. 053-2021-MINEM/DM	03/14/2021	Punta Lomitas Wind Power Plant
As amended by the following resolutions:		
Ministry Resolution No. 128-2023-MINEM/DM	03/31/2023	
Ministry Resolution No. 329-2023-MINEM/DM	08/25/2023	

### Definitive Transmission Concessions

LEGAL DISPOSITION	DATE OF PUBLICATION	TRANSMISSION LINE
Supreme Resolution No. 132-98-EM	12/30/1998	Ilo TPP- SE <sup>9</sup> Moquegua (Montalvo) SE Moquegua (Montalvo) - SE Botiflaca SE Moquegua (Montalvo) -SE Toquepala
Supreme Resolution No. 019-2003-EM	03/27/2003	Torre T170 [de la LT 138 kV CT Ilo - Torre T170] – SE Moquegua
Supreme Resolution No. 028-2006-EM <sup>10</sup>	05/27/2006	Yuncan HPP (Santa Isabel SS) - Carhuamayo Nueva SS
Supreme Resolution No. 068-2006-EM,	11/12/2006	SE Chilca 1 - SE Chilca 220 kV
As amended by the following resolutions:		
Supreme Resolution No. 021-2007-EM	05/26/2007	
Supreme Resolution No. 086-2011-EM	11/06/2011	
Ministry Resolution No. 494-2015-MEM/DM	11/18/2015	
Ministry Resolution No. 291-2023-MINEM/DM	07/22/2023	
Supreme Resolution No. 011-2013-EM	03/02/2013	SE Quitaracsa - SE Kiman Ayllu 220 kV
As amended by the following resolutions:		
Supreme Resolution No. 091-2014-EM	12/24/2014	
Supreme Resolution No. 010-2015-EM	04/16/2015	SE Ilo 4 - SE Montalvo
Ministry Resolution No. 285-2017-MEM/DM	07/06/2017	LT 138 kV SE Moquegua - SE Intipampa LT 138 kV SE Intipampa - SE Toquepala (Mil Site)
Ministry Resolution No. 041-2021-MINEM/DM	03/03/2021	220 kV Transmission Line S.E. Punta Lomitas - S.E. Derivation and Interconnection 220 kV S.E. Derivation - New Structures T748A/T749A of the 220 kV Transmission Line S.E. Ica - S.E. Marcona (L-2211)
Ministry Resolution No. 213-2022-MINEM/DM	06/22/2022	First Modification of the definitive transmission concession of the 220 kV Transmission Line S.E. Punta Lomitas - S.E. Derivation and Interconnection 220 kV S.E. Derivation - New Structures

<sup>9</sup> SE: Substation.

<sup>10</sup> Through Supreme Resolution No. 028-2006-EM, the assignment of contract position entered into between Egecen and ENGIE Energía Perú was approved, whereby Egecen assigns in favor of ENGIE Energía Perú its position in concession contract 203-2002.

		T748A/T749A of the 220 kV Transmission Line S.E. Ica - S.E. Marcona (L-2211).
Ministry Resolution No. 043-2023-MINEM/DM	02/15/2023	Second Modification of the definitive transmission concession of the 220 kV transmission line S.E. Punta Lomitas - S.E. Derivación e Interconexión 220 kV S.E. Derivación - Nuevas Estructuras T748A/T749A de la L.T. 220 kV S.E. Ica - S.E. Marcona (L-2211).

### Easements Table

LEGAL REGULATION	DATE OF PUBLICATION	Easements
Ministry Resolution No. 220-99-EM/VME	05/26/1999	Transmission line easement and right of way for the Moquegua SS.
Ministry Resolution No. 733-99-EM/VME	01/15/2000	Transmission line easement and access right of way for custody, maintenance and repair of works and facilities of the 220 kV TL of the Ilo21 TPP – Moquegua SS (Montalvo) and 138 kV TL Moquegua SS (Montalvo) – Botiflaca SS.
Ministry Resolution No. 621-2003-MEM/DM	01/07/2004	Transmission line easement and right of way for custody, maintenance and repair of works of the facilities of the 138 kV T170 TL (138 kV TL of the Ilo TPP – Botiflaca SS) – Moquegua SS.
Ministry Resolution No. 323-2006-MEM/DM	07/20/2006	Transmission line easement of the 220 kV TL of the 222 Yuncan HPP (Santa Isabel SS) – Nueva Carhuamayo SS.
Ministry Resolution No. 534-2007-MEM/DM	12/02/2007	Transmission line easement of the 220 kV TL Chilca 1 SS – Chilca REP SS.
Ministry Resolution No. 441-2017-MEM-DM	01/22/2018	Easement of electroduct and transit for 220 kV TL (L-2121 and L-2122) Chilca 2 TPP – Chilca 1 SS.
Ministry Resolution No. 053-2016-MEM/DM	02/17/2016	Transmission line easement for 500 kV TL Ilo 4 SS – Montalvo SS.
Ministry Resolution No. 154-2018-MEM/DM	05/07/2018	Occupation easement for the Intipampa Solar Power Plant.
Ministry Resolution No. 235-2018-MEM/DM	07/03/2018	Transmission line, communication systems easements and right of way for the bypass of the

		138 kV Transmission Line Moquegua SS – Toquepala SS (MillSite) to the Intipampa SS.
Ministry Resolution No. 241-2021-MINEM/DM	07/26/2021	Occupation easement for the Punta Lomitas Wind Power Plant
Ministry Resolution No. 289-2021-MINEM/DM	08/25/2021	Easement of electroduct, right of way and transit for 220 kV TL Punta Lomitas SS – Bypass and Interconnection SS 220 kV Bypass SS – New Structures T748A/T749A of 220 kV TL Ica SS – Marcona SS (L-2211)
Ministry Resolution No. 298-2021-MINEM/DM	09/01/2021	Remedies material errors contained in Ministry Resolution No. 241-2021-MINEM/DM
Ministry Resolution No. 442-2021-MINEM/DM	12/15/2021	Easement of right of way and transit for the Punta Lomitas Wind Power Plant

# GOOD CORPORATE GOVERNANCE REPORT





# GOOD CORPORATE GOVERNANCE REPORT

## REPORT ON COMPLIANCE WITH THE GOOD CORPORATE GOVERNANCE CODE FOR PERUVIAN COMPANIES (10150)

Company name:

ENGIE Energía Perú S.A.

Fiscal year:

2023

Website:

engie-energia.pe

Company name or business name of audit firm:  
(1)

RPJ

2829

(1) Available only if the information contained in this report has been reviewed by any specialized Company (for instance Audit firm or consultancy firm)

### SECTION A:

#### Letter of introduction<sup>11</sup>:

<sup>11</sup> The main actions implemented during the year in terms of Good corporate governance practices that the Company considers relevant to highlight in line with the five pillars that make up the Code of Good Corporate Governance for Peruvian Companies (2013) are described: Shareholders' Law, General Meeting, the Board of Directors and Senior Management, Risk and Compliance and Information Transparency.

## SECTION B:

### Assessment of compliance with the principles of the Good Governance Code for Peruvian Companies

#### PILLAR I: Shareholders' Rights

##### Principle 1: Equal treatment

###### Question I.1

	Yes	No	Explanation:
<i>Does the Company recognize in its conduct of business an equitable treatment of shareholders of the same class and that they are afforded the same conditions? (*)?</i>	X		According to the Company's bylaws, all shares of the same class have the same rights and are subject to the same obligations

(\*) The same conditions are understood to be those particularities that distinguish shareholders or make them have a common characteristic in their relationship with the company (institutional investors, non-controlling investors, etc.). It should be noted that this does not imply that the use of privileged information is favored.

###### Question I.2

	Yes	No	Explanation:
<i>Does the company promote exclusively the existence of voting share classes?</i>	X		The Company has not set any limit for the creation of shares conferring different voting rights. According to Company's bylaws, shares of different classes, rights and obligations may be issued. The Company currently has shared with voting rights.

a. About the Company's share capital, specify:

Subscribed share capital at year-end	Paid-in share capital at year-end	Total number of shares representative of capita
S/. 601'370,011.00	S/. 601'370,011.00	601,370,011

b. In case the company has more than one class of shares, please specify:

Class	Number of shares	Par value	Political Rights (*)	Economic Rights (*)

(\*) In this field, the particular rights of the class must be indicated, such as participation and voting in the AGM, subscription of shares, treatment in corporate reorganization, transfer of rights, others.

### Question I.3

	Ye s	No	Explanation:
<i>If the Corporation has investment shares, does it promote a voluntary redemption or exchange of investment shares for ordinary shares?</i>		X	Since the Company does not currently have investment shares, it does not have a redemption or swap of investment shares for ordinary shares.

## Principle 2: Shareholding

### Question I.4

	Ye s	No	Explanation:
<i>1. Does the Company provide in its corporate documents the form of representation of the shares and who is in charge of entry thereof in the share register book?</i>	X		Article 8 of the Company's bylaws contemplates the representation of shares in (i) the Share Register Book in case the shares are represented in certificates, and (ii) in the accounting record for Clearing and Settlement of Securities, in case the shares are represented by book entry. It should be noted that, since 2005, the Company keeps the book-entry of shares.
<i>2. Is the share register book permanently updated?</i>	X		Through a Services Contract, entered into March 13, 2006, the Company engaged Banco de Crédito del Perú (now Credicorp Capital) to be responsible for keeping up to date the share registry book and other obligations related to the calculation and follow-up of shares traded on the Lima Stock Exchange (BVL) representative of Company's capital.

Indicate the frequency in which the share register is updated, after being informed of any change.

<b>Frequency:</b>	Within forty-eight hours	X
	Weekly	
	Other / Detail (in business days)	

### Principle 3: Non-dilution of shareholding in share capital

#### Question 1.5

	Yes	No	Explanation:
1. Is it a policy of the Company that the proposals of the Board of Directors in connection with corporate operations that may affect the right to non dilution of shareholders (i.e., mergers, spinoffs, capital increases, among others) be previously explained by the Board of Directors in a detailed report with the independent opinion of an external advisor of professional repute appointed by the Board of Directors?		X	The Company has not established that the proposals of the Board related to corporate operations that may affect the non-dilution of shareholders be explained in a report under the terms laid down in this principle. Since the Board has not considered the application of the aforementioned practice, the provisions set forth in the General Corporations Law shall govern. Should any of the aforementioned operations occur, Board members can request the support from specialized external experts and advisors in accordance with the Board Regulation.
2. Does the company have a policy to make such reports available to the shareholders?		X	See answer above.

If any corporate operations under the scope of item a) of question 1.5 have occurred during the fiscal year, and if the Company has Independent Directors (\*), please state if in all cases:

	Yes	No
Was the appointment of the external advisor made with the affirmative vote of all Independent Directors?		
All of the Independent Directors clearly expressed their acceptance of the aforementioned report and, if applicable, state the reasons for non-acceptance?		

(\*) Independent Directors are those who, according to the Guidelines for Qualification of Independent Directors, approved by the SMV, qualify as such.



## Principle 4: Information and communication to stakeholders

### Question I.6

	Yes	No	Explanation:
Does the company determine the responsible persons or means so that the shareholders can receive and/or request timely, reliable and truthful information?	X		The Finance and Investor Relations Management from the Company's Finance Division is the single point of contact and is responsible for providing information to shareholders and investors. Additionally, the Company's Corporate Communications Management is responsible for maintaining the Company's website updated. Finally, the Company's stock exchange representatives are responsible for preparing significant events to submit them to the Securities Market Superintendency.

a. Indicate the means by which the shareholders receive and/or request Company information.

Means of communication	Receive information	Request information
At the company's office	X	X
Electronic mail	X	X
Phone	X	X
Corporate website	X	X
Mail		
Informative meetings (in-person or virtual)	X	X
Social Networks		
Other / Detail	General Shareholders' Meeting.	

b. Does the company have a deadline to answer requests for information submitted by the shareholders?

Yes ☐ No ☒

If yes, specify such deadline:

Deadline (in business days)	
-----------------------------	--

### Question I.7

	Yes	No	Explanation:
Does the company have mechanisms for the shareholders to express their opinion about the company's performance?	X		

If the answer is yes, please specify the mechanisms established by the Company for shareholders to express their opinion on the Company's management.

Means of communication	Express their opinion
At the company's office	
Electronic mail	X
Phone	X
Corporate website	
Mail	
Informative meetings (in person or virtual)	X
Social Networks	
Other / Detail	Shareholders can express their opinion about the Company's performance via email (investorrelations.eep@engie.com) and by phone (616-7979), and at meetings to be called by shareholders. Shareholders can also express their opinion via the Front Desk located at the Company's office (Av. República de Panamá 3490, San Isidro, Lima)

### Principle 5: Sharing in Company's dividends

#### Question I.8

	Yes	No	Explanation:
1. Is compliance with the dividend policy subject to evaluations to be conducted within a specific time frame?		X	The Company has not established that compliance with the dividend policy is subject to regular evaluations. To date, the Board has not deemed convenient the application of this practice, considering that the General Shareholders' Meeting approves the dividend sharing on a yearly basis.
2. Is the dividend policy made known to the shareholders?	X		The Company's dividend policy approved by the General Shareholders' Meeting on October 1, 2015, is published at Company's website ( <a href="http://www.engie-energia.pe">http://www.engie-energia.pe</a> ).

- a. If the answer to item 2 of Question I.8 is yes, specify the means through which the Company made available the dividend policy to its shareholders.

Means of communication	Provision of dividend policy

At the company's office	
Electronic mail	
Phone	
Corporate website	X
Mail	
Informative meetings (in person or virtual)	
Social Networks	
Other / Detail	

b. Has the Company's dividend policy been complied with in the reporting year?

- Yes ☒ No ☐

If the answer is no, state the reasons why the dividend policy was not complied with in the year.

c. Specify the Company's dividend policy applicable to the year.

Date of approval	10/01/2015
Criteria for profit sharing according to the dividend policy	<p>a) The distribution of dividends shall be made in accordance with the participation in the share capital of each shareholder.</p> <p>b) Only the amount remaining after making the deductions expressly provided by law will be distributed.</p> <p>c) The distribution will be made first from the accumulated results obtained until December 31, 2014 and, when these are exhausted, from the results obtained from January 1, 2015.</p> <p>d) From the results according to the order indicated in paragraph c) above, a sum equivalent to thirty percent (30%) of the available annual profits will be distributed each year, as determined in each annual year, starting from the year 2015, a higher percentage if deemed appropriate.</p> <p>e) The Board of Directors of the Company will determine the dates on which the payment of the agreed dividends will be made, according to the availability of resources.</p> <p>f) Compliance with the dividend policy is conditional on the profits actually obtained and the accumulated results that actually exist.</p> <p>g) The Board of Directors of the Company may agree to the distribution of interim dividends in according to periodic balance sheets. The distribution will be made from the results</p>

	according to the order indicated in paragraph c) above
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d. Specify the dividends into cash and share distributed by the Company in the year and the previous year.

Per share	Dividends per share			
	Reporting year		Previous reporting year	
	In cash	In shares	In cash	In shares
Class	0.05001827		0.05712718	
Class				
Investment share				

## Principle 6: Change of control or takeover

### Question I.9

	Yes	No	Explanation:
<i>Does the Company have policies or agreements of non adoption mechanisms?</i>		X	The Company does not have policies or agreements for adopting antitakeover mechanisms. Since the Board has not considered the application of such practice to date, the provisions in the General Corporations Law shall apply.

Specify if any of the following measures has been established in your company:

	Yes	No
Requirement of a minimum number of shares to be Director		X
Minimum number of years as a Director to be appointed as Chairman of the Board		X
Compensation agreements for executives/officers as a result of changes following a takeover and/or company reorganization.		X
Others of similar nature / Please detail (example: establishment of supermajorities to approve mergers, stock option plans for employees, among others)	According to the Company bylaws, to serve as Director it is not required to be a shareholder. Additionally, according to the bylaws, the Chairman of the Board is elected among its members.	



## Principle 7: Arbitration for settlement of disputes

### Question I.10

	Yes	No	Explanation:
1. Do the Company bylaws contain an arbitration agreement providing that any dispute between shareholders, or between shareholders and the Board of Directors; and any challenges to resolutions of the GSM or the Board by the shareholders of the Company be submitted to arbitration?	X		Article 53 of the Company bylaws provides for arbitration as the mechanism to resolve disputes between the Company and its shareholders or between the shareholders and the Board, as well as regarding the agreements adopted by the governing bodies
2. Does such clause provide for an independent third party to settle the disputes, except in the case of legal reserve seen in ordinary courts?	X		The Company's Bylaws provide that the arbitrator who will resolve the dispute shall be appointed by mutual agreement of both parties. Likewise, it is established that in the event that the parties do not agree, the appointment of the arbitrator will be made by the International Chamber of Commerce.

If during the reporting year any resolutions of the Shareholders' Meeting or Board of Directors' were objected by the shareholders or others that involve the Corporation, specify number.

Number of objections to resolutions adopted by the GSM	
Number of objections to resolutions adopted by the Board of Directors	

## PILLAR II: General Shareholders' Meeting (GSM)

### Principle 8: Roles and competence

#### Question II.1

	Yes	No	Explanation:
Is the GSM sole responsible for approving the compensation policy of the Board of Directors?	X		Article 25 of the Company's bylaws provides that the determination of the Board remuneration is a role of the General Shareholders' Meeting.

Indicate if the following duties are the sole responsibility of the GSM; if not, specify the body in charge of them.

	Yes	No	Body
Order special investigations and audits		X	It is not the exclusive role of the GSM. The Board and the Management may order investigations and special audits.
Agree on the amendment to the Bylaws	X		GSM
Agree in capital stock increases	X		GSM
Agree on the distribution of interim dividends		X	According to the Company's dividend policy, approved by the GSM, the Board may agree to the distribution of interim dividends.
Appoint external auditors	X		GSM

## Principle 9: Shareholders' Meeting Regulation

### Question II.2

	Yes	No	Explanation:
Does the Company have Regulations applicable to the Shareholders' Meeting that are binding and include responsibility in case of non-compliance?	X		The company has a Shareholder's Meeting Regulation approved at the Board Meeting held on November 10, 2021, the purpose of which is to facilitate the organization and operation of the General Shareholders' Meeting.

a. Specify whether the following procedures are contemplated in the GSM Regulation or specific which documents contains such procedure, where applicable:

	Yes	No	Document name
Calling a Shareholders' Meeting	X		
Calling remote GSMs according to the bylaws or regulation allowing for such GSM modality	X		
For the shareholders to incorporate points in the agenda	X		
Providing additional information to the shareholders for the Meetings	X		
The course of the Shareholders' Meetings	X		
Designation of members of the Board of Directors		X	The election of members of the Board of Directors is governed by the provisions of the Bylaws and the General Corporation Law
Representation of shareholders at the GSM	X		
Attendance of shareholders at the GSM	X		
Remote voting via electronic means or mail		X	The Company bylaws does not provide for remote voting.
Others as may be relevant in the GSM Regulation / Specify			

b. Specify if the procedure that governs the conduct of the GSM establish mechanisms for the shareholders to express their views on the following matters:

	Yes	No
1. About the company's management and Company's economic results.	X	
2. About a new proposal of agreement regarding one or more items in the agenda.	X	

## Principle 10: Call mechanisms

### Question II.3

	Yes	No	Explanation:
<i>In addition to the procedures to give notice of meetings established by law, does the Company have notice procedures that allow establishing contact with shareholders, particularly those who have no participation in the control or management of the Company?</i>	X		For the Annual Shareholders' Meeting held on March 18, 2022, the call was made through a Significant Event, published on the website of the Superintendency of the Securities Market, and through the website of the Company. In addition the call was published on "El Peruano" and "El Comercio" newspapers".

a. Please complete the following information for each of the Shareholders' Meetings held during the year:

Date of call for meeting	Date of GSM	Type of GSM (*)	Type of GSM		Universal GSM		Quorum %	No. of att. shareholder s	Participation (%) over the total number of shares with voting rights		
			Esp ecial	General	Yes	No			Throu gh proxie s	Direct exercise (**)	Did not exercise voting right
6 de marzo de 2023	20 de marzo de 2023	Remote		X		X	95.94	8	95.939	0.001	4.06

(\*) Specify if the GSM was in person or remote.

(\*\*) Direct exercise refers to the voting by any means or method other than proxy.

b. What other means, other than those considered in Article 43 of the General Corporations Law and the provisions in the Regulation of Relevant Events and Reserved Information, did the company used to publish the calls to the GSMs during the year?

Means of communication	Call for meetings
At the Company's office	
Electronic mail	
Phone	
Corporate website	X
Mail	
Informative meetings (in-person or remote)	
Social Networks	
Other / Specify	

c. Did the call notices send by Company during the reporting year:

	Yes	No
Specify where the information regarding the points of the agenda to be discussed in the GSM was found?	X	
Specify where the information regarding the agreements proposed to be adopted (motions) in the GSM was found?	X	
Include as points of the agenda 'other issues', 'various points' or the like?		X
Specify where the template of the letter of representation before the GSM was found?		X

#### Question II.4

	Yes	No	Explanation:
<i>Does the Company make available to the shareholders all information relative to the items in the agenda of the General Shareholders' Meeting and the proposed resolutions intended to be passed (motions)?</i>	X		For the Shareholders' Meeting in 2022, the Company made available to the shareholders information relative to the items in the agenda as well as the proposal of the Board for each item in the agenda submitted for approval of the shareholder.

a. If the answer is yes, specify the means of communication supporting the items in the agenda and motions of the GSM held during the year:

Means of communication	Supporting items and motions
At the company's office	X
Electronic mail	
Phone	
Corporate website	X
Mail	
Informative meetings (in-person or remote)	
Social Networks	
Other / Detail	



b. Specify which were the supporting documents or the motions disclosed to hold the GSM during the year (more than one options can be marked):

Résumés of the candidates for director.	
Proposed text to amend the articles of the Bylaws and reason for change.	
Proposed text to amend the articles of the GSM Regulation and reason for change.	
Proposed text to amend the Dividend Policy and reason for change.	
Proposed application of profits.	X
Proposal for services and experience of External Audit Firm.	
Others as may be relevant (detail):	The proposed appointment of the external Audit firm was disclosed.

## Principle 11: Proposed agenda items

### Question II.5

	Yes	No	Explanation:
<i>Do Shareholders' Meetings Regulations include mechanisms to enable shareholders to exercise their right to propose points for the agenda to be discussed at the Shareholders' Meetings and the procedures to accept or reject such proposals?</i>	X		The Regulation of the General Shareholders' Meeting approved at Board Meeting held on November 10, 2021, establishes the mechanisms for shareholders to propose agenda items for the Mandatory Annual Meeting and the procedure to be followed.

a. Indicate the number of requests submitted by the shareholders during the reporting year to include points of the agenda to be discussed at the GSM:

Minimum percentage of shares of capital stock to be represented by shareholders to put forth proposals	Deadline (in business days) before the GSM to submit the proposed agenda item	Deadline (in business days) for the Company to reply (accept or reject) the submitted proposal	Means through which the Company responds (accepts or rejects) the submitted proposal
1 (*)	44 (**)	30 (***)	The General Shareholders' Meeting Regulation establishes that if the Board decided not to include the requested items in the agenda, the Finance and The Investment Relations Manager will inform the shareholder of such a decision.

(\*) We refer to having at least 1 share. The General Shareholders' Meeting established that any shareholder has the right to put forth any matter of interest.

(\*\*) The deadline takes into consideration the information corresponding to the year 2023. The General Shareholders' Meeting Regulation establishes that the request should be submitted latest by January 15 of every year.

(\*\*\*) The deadline takes into consideration the information corresponding to the year 2023. The General Shareholders' Meeting establishes that the Board will evaluate the requests from the shareholders.

b. Indicate the number of requests submitted by the shareholders during the year to include items in the agenda to be discussed at the GSM, and how they were resolved:

Number of requests		
Received	Accepted	Rejected
1	1	0

c. If any requests to include points in the agenda to be discussed in a Shareholders' Meeting were rejected, indicate if the Company provided justification of such rejection to the requesting shareholders.

In all requests

In some requests

In no requests


## Principle 12: Voting procedures

### Question II.6

	Yes	No	Explanation:
<p><i>Does the Company have mechanisms in place that allow the shareholder to exercise remote voting by secure means, whether electronic or mail, that ensure that the person casting the vote actually is the shareholder?</i></p>		X	<p>The Company does not have such mechanisms in place. To date, neither the Board nor the General Shareholders' Meeting have considered the application of such practice, as the Company's Bylaws establish the possibility for shareholders to grant powers of attorney to third parties to represent them at the Meeting.</p> <p>Article Fourteenth of the Bylaws provides that shareholders' meetings may be held remotely. In 2022, the General shareholders' Meeting was held remotely through the web platform "EHolder" of the company EVoting in parallel with a video call on Zoom.</p>

a. If applicable, indicate the mechanism or means in place by which the Company may exercise remote voting.

Voting by electronic means		Voting by regular mail	
----------------------------	--	------------------------	--

b. In case remote voting was used to exercise remote voting, please provide the following information:

Date of GSM	% remote voting				% remote voting / total
	Electro nic mail	Corpor ate websit e	Mail	Other	

#### Question II.7

	Ye s	No	Explanation:
<i>Does the Company have corporate documents that clearly provide that shareholders may vote separately on substantially independent matters, so they may exercise their voting preferences separately?</i>		X	The Company does not have a corporate document specifying that shareholders may vote separately on substantially independent matters. To date, neither the Board nor the General Shareholders' Meeting have considered the application of such practice, and therefore the provisions set out in the General Corporations Law apply, and article 31 of the Company's bylaws permits shareholders to vote separately on the election of directors.

Indicate whether the Company has corporate documents that clearly provide that shareholders may vote separately on:

	Yes	No
Appointment or ratification of Directors by individual vote for each of them.	X	
Amendment to the Bylaws, for each article or group of articles that are substantially independent.		X
Other / Specify		

### Question II.8

	Ye s	No	Explanation:
<i>Does the Company allow those acting on behalf of several shareholders to cast differentiated votes for each shareholder, so they comply with the instructions of each shareholder that they represent?</i>	X		There is no limitation in the bylaws for one person to represent more than one shareholder, provided that the granting of powers of attorney is in writing and registered at least 24 hours prior to the General Shareholders' Meeting.

## Principle 13: Voting delegation

### Question II. 9

	Ye s	No	Explanation:
<i>Do the bylaws of the company allow its shareholders to delegate their vote to any person?</i>	X		Article 21 of the Company's bylaws provides that shareholders may confer powers of attorney to a person who is not necessarily a shareholder.

If the answer is No, indicate if the Bylaws restrain the right of representation, in favor of the following persons:

	Yes	No
Another shareholder		
A Director		
A manager		

### Question II.10

	Ye s	No	Explanation:
<i>1. Does the Company have procedures detailing the conditions, the means and the formalities to be performed in situations of voting delegation?</i>	X		Article 21 of the Company's bylaws and article 3 of the Regulation of the General Shareholders' Meeting establish the formalities for voting delegation of shareholders
<i>2. Does the corporation make available to the shareholders a model of power of attorney that includes proxy's data, matters for which votes are being delegated and, if applicable, how the vote should be cast for each one of the proposals?</i>	X		The Regulation of the General Shareholders' Meeting includes, as Annex I, a sample power of attorney.



a. If the answer to question II.10 item 2 is yes, indicate which means did the Company use to provide the sample power of attorney for the GSM during the year:

Means	Provision of sample power of attorney
At the Company's office	
Electronic mail	
Corporate website	X
Mail	
Informative meetings (in-person or remote)	
Social Networks	
Other / Specify	

b. Please indicate the minimum content and formalities required for a shareholder to be represented by proxy at a GSM:

Minimum content (e.g., data of representatives, vote per item in the agenda or other).	Article 3.4 of the Regulations of the General Shareholders' Meeting establishes that the power of attorney must contain, at least, the following information: (i) the full names and identity document of the shareholder granting the power or, in the case of a legal person, full name or corporate name and tax or corporate identification number, as applicable, together with the full names, position(s) and identity document(s) of the legal representative(s) signing the power of attorney on behalf of the legal entity; (ii) the full names and identity documents of the person who is appointed as proxy for representation at the General Shareholders' Meeting and a copy of the proxy's identity document; and, (iii) the date of the General Meeting of Shareholders called for which the power of attorney is granted, unless it is a power of attorney granted by public deed.
Formality (indicate if the Corporation requires an uncertified letter, notarized letter, public deed or other).	The representation by proxy may be in a simple letter. Article 21 of the bylaws provides that the representation by proxy of a shareholder may be through any means of communication that permits keeping evidence. As a result, the representation by proxy is for each General Shareholders' Meeting, except in case of powers by public deed.
Advance notice (number of days prior to the Shareholders' Meeting that the power of attorney must be presented).	The powers of attorney shall be received by the Company at least twenty-four (24) hours before the time set for the General Shareholders' Meeting.
Cost (indicate if there is any payment required by the Corporation for this purpose and amount).	No, the Company does not charge for accepting/permitting the representation by proxy of shareholders.

#### Question II.11

	Yes	No	Explanation:
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1. Is it a policy of the Company to set limitations to the percentage of delegation of votes to members of the Board of Directors or Top Management?		X	The Company does not have any limitations as to the percentage of delegation of votes. To date, neither the Board nor the General Shareholders' Meeting have considered the application of such practice, and therefore the provisions set forth in the General Corporations Law and the Company's bylaws apply.
2. In case of delegation of votes to members of the Board or Top Management, is it the policy of the Company that shareholders who delegate their votes clearly state the intent thereof?		X	The Company has not established that shareholders delegating their votes have the obligation to clearly state their intent.

## Principle 14: Monitoring GSM agreements

### Question II.12

	Yes	No	Explanation:
1. Does the Company monitor the agreements adopted at the GSM?	X		In accordance with article 9 of the Regulation of the General Shareholders' Meeting, the agreements shall be followed up by the Company's Legal Vice- President. At present, the Legal Vice- President also serves as the Board Secretary.
2. Regarding those agreements, Does the Corporation issue reports from time to time to the Board of Directors and are they made available to the shareholders?		X	The Company does not issue regular reports to the Board for them to be made available to the shareholders. However, the resolutions passed at the General Shareholders' Meeting have been executed as approved, and the implementation of such resolutions is informed to the Board through Board meetings. To date, the Management has not considered the application of such practice.

a. . If applicable, please mention the area and/or responsible person for monitoring the resolutions adopted at the GSM. In case there is one person responsible for it, please specify his/her position and area.

Responsible Area	Company's Legal Division
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Individual responsible		
Full Name	Position	Area
Gilda Spallarossa Lecca	Legal Vice-President	Legal Division

b. If the answer to question II.12 item 2 is yes, specify the means through which the Company provides such reports to the shareholders:

Means	Provides reports
At the Company's office	
Electronic mail	
Corporate website	
Mail	
Informative meetings (in-person or remote)	
Social Networks	
Other / Specify	

### PILLAR III: BOARD OF DIRECTORS AND SENIOR MANAGEMENT

#### Principle 15: Formation of the Board of Directors

##### Question III.1

	Yes	No	Explanation:
<i>Has the Company established and applied selection and permanence criteria for the Board to be made up by people with different skills and competencies, with prestige, ethics and economic independence, who are available to attend the Board's sessions and with other skills relevant to the Corporation, in a way that there are multiple points of view and opinions?</i>		X	At present, the Board members have different competencies, professional experience, prestige, ethics, economic independence and sufficient availability.  Moreover, article 3 of the Board Regulation establishes the principles governing the actions of Board members (transparency and accountability, ethics, efficacy and efficiency, diligence, good faith and loyalty).

a. Please indicate the following information corresponding to the members of the Board of Directors during the fiscal year.

during the fiscal year:

Full name	Nationality	Sex (M/F)	Year of birth	Professional education	Date		Shareholding interest (***)		Other positions / BoD (****)
					Start (*)	End (**)	No. of shares	Int. (%)	
Directors (not including independent members)									
Anibal Juan Prieto Larrain	Chilean	M	1973	Lawyer	03/18/2022				Principal director of ENGIE Perú S.A.  Director of ENGIE Energía Chile S.A.  Principal director of ENGIE Austral S.A.  Legal Vice-president Legal & Ethics Officer of the ENGIE Group

									for South America
Frank Jean Alain Demaille	French	M	1976	Engineer from the Ecole Polytechnique and «Corps des Mines» in France. He also holds and master's degree in Finance and Statistics.	06/07/2019	12/20/2023			Principal director of ENGIE Energía Chile S.A.  Principal director of ENGIE Perú S.A.  Executive VicePresident in charge of Transformation & Geographies of the ENGIE Group.
Diego Matias Niebuhr	Argentinian	M	1983	Public Accountant, Universidad Católica Argentina (2005). Bachelor's degree in Business Administration, U. Católica Argentina (2008). PostGraduate Program in European Management, Neoma – France (2003) Post-degree in Finance, U. Católica Argentina (2010). Diploma degree in Management Skills – U. Adolfo Ibañez, Chile (2022).	03/18/2022				Finance Business Partner Thermal Americas of the ENGIE Group
Pascal Gérard Jean- Claude Renaud	French	M	1970	Nuclear and Energy Physics Engineer, Specialized Master's Degree in Risk & Insurance	03/18/2022				Managing Director Renewables of the ENGIE Group in Latam (Chile, Peru, Mexico)  Principal Director of ENGIE Energía Chile S.A.
Rosaline Corinthen	French	F	1973	Thermodynamics Engineer	11/04/2022				CEO in ENGIE Energía Chile S.A.



Frédéric Halkin	Belgian	M	1974	Business economy	02/02/2024				VicePresident in charge of Asset Management, H2 BD & BESS Support.
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Independent Directors

Veronica Elizabeth Zavala Lombardi	Peruvian	F	1967	Lawyer from the Pontificia Universidad Católica (PUCP), she holds a master's degree in Public Administration from the John F. Kennedy School of Government at Harvard University.	03/18/2022				Principal director in: PROMED, Panamá. Calisto Cobre Resources, Canada.
Dora Maria Avendaño Arana	Peruvian	F	1962	Lawyer from Pontificia Universidad Católica of Peru.	03/18/2022				

(\*) It corresponds to the first appointment in the reporting company.

(\*\*) To be completed only if the Director ceased to work during the period.

(\*\*\*) To be mandatorily applied only to Directors with an interest in the share capital equal to or greater than 4% of the shares of the reporting company.

(\*\*\*\*) Specify whether the Director holds other executive positions outside the Company and/or takes part in other Boards of Directors, specifying the number and whether they are part of the economic group of the reporting company. To that end, please consider the definition of economic group included in the Regulation of Cross-ownership, Affiliation and Economic Groups.

Indicate the following:

% of total shares held by Directors	0
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	Number of women	Total Directors	% Women in the Board
Presence of women in the Board of Directors	3	7	42.8%

b. Indicate if there are specific requirements to be appointed Chairman of the Board of Directors, other than those required to be appointed a director.

Yes

☐

No

☒

If the answer is yes, indicate the requirements.

c. Does the Chairman of the Board of Directors have a casting vote?

Yes

☒

No

☐

### Question III.2

	Yes	No	Explanation:
Does the Corporation avoid designating substitute or alternate Directors, especially for quorum reasons?		X	Five alternate directors were appointed at the General Shareholders' Meeting on March 18, 2022. By resolution passed by the General Shareholders' Meeting, independent directors Verónica Zavala and Dora Avendaño do not have alternates.

If there are substitute or alternate Directors, specify the following:

Full name	Nationality	Sex (M/F)	Year of birth	Professional education	Date		Shareholding interest (***)		Other positions / BoD (****)
					Start (*)	End (**)	No. of shares	Int. (%)	
Hendrik De Buyserie	Belgian	M	1970	Human Resources Management	02/13/2018	04/27/2023			CEO ENGIE Australia & New Zealand.  Principal director of ENGIE Perú S.A.
El Mehdi Ben Maalla	Belgian	M	1982	Engineer	04/27/2023				Country Manager of the ENGIE Group in Peru and Colombia
Daniel Javier Cámac Gutiérrez	Peruvian	M	1968	Engineer	03/12/2013				Alternate director of ENGIE Perú S.A.
Gilda Maria Luisa Spallarossa Lecca	Peruvian	F	1977	Lawyer	04/01/2015				Alternate director of ENGIE Perú S.A.
Cesar Alberto Cornejo Gómez	Peruvian	M	1980	Engineer	03/18/2022				
Luciano Damian Guffanti	Argentinian	M	1977	Accountant	03/18/2022				

(\*) It corresponds to the first appointment in the reporting company.

(\*\*) To be completed only if the Director ceased to work during the period.

(\*\*\*) To be mandatorily applied only to Directors with an interest in the share capital equal to or greater than 4% of the shares of the reporting company.

(\*\*\*\*) Specify whether the Director holds other executive positions outside the Company and/or takes part in other Boards of Directors, specifying the number and whether they are part of the economic group of the reporting company. To that end, please consider the definition of economic group included in the Regulation of Cross-ownership, Affiliation and Economic Groups.

## Principle 16: Duties of the Board

### Question III.3

	Yes	No	Explanation:
<i>Is it a duty of the Board?:</i> <i>1. To approve and lead the corporate strategy of the company</i>	X		
<i>2. To establish aims, goals and action plans including the annual budgets and business plans.</i>	X		
<i>3. To control and supervise the management and be responsible for the direction and administration of the Company</i>	X		
<i>4. To supervise the good corporate governance practices and to establish the policies and measures necessary to a better application.</i>	X		
<i>5. Approve procedures or policies to prevent, detect, manage, disclose and sanction conflicts of interest</i>		X	The Company has a Conflict-of-Interest Prevention Policy that was approved by the General Management. Without prejudice to the above, the Company's Board Regulation establishes that the directors have the obligation to disclose the conflicts of interest they may have and refrain from voting in those matters in which they have a conflict of interest.
<i>6. Approve and monitor the design and implementation of the remuneration and incentives system ensuring that it is aligned to the Company's strategy, its policies and financial soundness.</i>		X	The Board does not have the role to approve the remuneration and incentive system.

a. Please list any additional relevant roles of the Company's Board of Directors.

<p>A. Lead and control all businesses and activities of the Company;</p> <p>B. Regulate its own operation, if deemed appropriate;</p> <p>C. Organize the Company's offices and determine the roles and expense budgets;</p> <p>D. Appoint and dismiss the general manager, managers, proxies, representatives and any other officer working for the Company, confer the powers it deems convenient, indicate their obligations and remunerations, provide bonuses, if deemed convenient, limit and revoke previously conferred powers and establish all rules and regulations deemed necessary for the good conduct of the Company;</p> <p>E. Authorize the transfer for valuable consideration, trade, purchase, sale, promise to purchase and promise to sell properties, as well as establish mortgage over them pursuant to common law or other special laws, of whatever nature;</p> <p>F. Authorize the pledging of assets, whether common, industrial, trade or of any other nature, pursuant to common law or other special laws, of whatever nature;</p> <p>G. Authorize the request or provision of loans through mutual agreements, overdrafts, advances in current account or in any other way;</p> <p>H. Authorize the request or provision of collaterals, sureties and other guarantees to third parties;</p> <p>I. Establish branches, agencies and subsidiaries of the company as deemed necessary, and restructure and eliminate them;</p> <p>J. Waive the right to the jurisdiction of its domicile;</p> <p>K. Propose to the General Shareholders' Meeting the resolutions deemed convenient for social interests;</p> <p>L. Enter into financial lease agreements;</p> <p>M. Present to the Annual Shareholders' Meeting the general balance and the report for the year ended;</p> <p>N. Render accounts;</p> <p>O. Approve the distribution of advances of profits and dividends regarding the current year according to regular balances, in any way permitted by applicable laws;</p>
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P. Authorize through general or special powers of attorney the performance of any act or contracts referred to in the paragraphs above or any other deemed necessary to comply with the business purpose, except for those referred to in the foregoing paragraphs M), N) and O), amend or revoke them.

Q. Set up of special committees composed of its members (principal or alternate) for the best administration of the company business, without being exempted from its responsibility, and being able to establish duties in such committees and the remuneration of their members;

b. Does the Board of Directors delegate any of its functions?

Yes ☒ No ☐

Please indicate which are the main roles of the Board delegated and the body in charge of them by delegation and the document where such delegation is contained:

Roles	Body / Area to whom the roles have been delegated	Name of Document
Special Powers (for specific transactions of the Company such as Power Purchase Agreements, financing contracts, projects, etc.)	Proxies	Board minutes book
There is a General Powers Regime where the ordinary management roles for Company's legal representatives and the roles assigned to the Board have been established.	Proxies	General Powers Regime of ENGIE Energía Perú S.A.



## Principle 17: Duties and rights of Board members

### Question III.4

	Yes	No	Explanation:
1. Do the Directors have a right to: 1. Request the Board to seek the support or contribution of experts?	X		The Regulation of the Company's Board, approved at Board Meeting held on March 1, 2019, establishes that Board members have the right to request the support from experts and external specialized advisors to the Board.
2. Participate in induction programs concerning their duties and responsibilities and to be timely informed about the organizational structure of the Corporation?	X		The Regulation of the Company's Board, approved at Board Meeting held on March 1, 2019, established the procedure for induction of people appointed for the first time as Directors.
3. Receive training regarding issues of interest to perform their duties.	X		The Regulation of the Company's Board establishes that the individuals elected for the first time as directors will receive an induction process.
4. Receive compensation for the work performed that combines recognition of the professional experience and dedication to the Corporation based on rationality.	X		Only independent directors receive remuneration, the other Directors waive the right to receive such remuneration.

a. Specify whether Board members have the duty to timely inform the Company's Board the following cases:

	Yes	No
Security ownership or holding or rights over the securities issued by the Company	X	
Performance of operations with securities or rights over securities issued by the Company	X	
Ongoing negotiations regarding securities or rights over the securities issued by the Company	X	
Participation in other Boards of Directors		X

b. If specialized advisors were engaged during the fiscal year, indicate if the list of specialized advisors to the Board who provided their services for decision making during the fiscal year was made available to the Shareholders.

Yes ☐ No ☐

If applicable, specify if any of the specialized advisors had any relation with a shareholder who has more than 4% of the share capital, member of the Board of Directors and/or Senior Management (\*).

Yes ☐ No ☐

(\*) The relation criteria contained in the Regulation of Cross-ownership, Affiliation and Economic Groups will be applied for relation purposes.

c. If applicable, indicate if the Company carried out induction programs for the new members entering the Company.

Yes ☒ No ☐

d. Does the Company has a Board compensation policy approved by the GSM?

Yes ☐ No ☒

e. Indicate the percentage that represents the gross income of the total amount of Directors' annual compensation and bonuses, according to the Company's financial statements.

Compensation	(%) Gross Income	Bonuses	(%) Gross Income
Directors (not including independent Directors)		In shares	
Independent Directors	0.0060%	In options	
		In cash	0.0060%
		Other (specify)	

f. Specify the compensation scheme for Board members applicable in the year:

Compensation scheme	Fixed	<input checked="" type="checkbox"/>
	Variable	<input type="checkbox"/>
	Mixed (fixes + variable)	<input type="checkbox"/>

g. Specify the criteria upon which the Company determines the compensation scheme for Board members:

Fixed scheme	Per Board meeting	<input checked="" type="checkbox"/>
	Per Committee meeting	<input type="checkbox"/>
	Per month	<input type="checkbox"/>
	Per year	<input type="checkbox"/>
	Other (specify)	<input type="checkbox"/>

Variable scheme	For profits in the year	<input type="checkbox"/>
	For reaching objectives	<input type="checkbox"/>
	Other (specify)	<input type="checkbox"/>

## Principle 18: Board of Directors Regulations

### Question III.5

	Yes	No	Explanation:
<i>Does the Corporation have Board of Directors Regulations that have a binding nature and entail accountability?</i>	X		The Company has a Board Regulation, which was approved at Board Meeting held on March 1, 2019, which has been amended as deemed appropriate by the Board

Indicate if the Board of Directors Regulations contain:

	Yes	No
Operating policies and procedures	X	
Organizational structure of the Board of Directors	X	
Roles and responsibilities of the Chairman of the Board of Directors	X	
Functions and responsibilities of the Board members	X	
Procedures for identification, evaluation and appointment of candidates to become Directors, proposed at the GSM.		X
Procedures for cases of vacancy, dismissal and succession of Directors	X	
Procedures for cases of vacancy, dismissal and succession of Directors		X
Policies and procedures to prevent, detect, manage and disclose the conflicts of interest of Board members	X	
Other / Specify		The Regulation of the Board, approved on March 1, 2019, also establishes: (i) the principles governing the acts of the Board; (ii) the roles of the Board Committees; (iii) the engagement of and advice from experts; (iv) the evaluation of Board members; (v) the remuneration of Board members, among other things

## Principle 19: Independent Directors

### Question III.6

	Yes	No	Explanation:
<i>Does at least one third of the Board of Directors is made up by Independent Directors?</i>	X		At the General Shareholders' Meeting held on March 18, 2022, 7 principal directors were appointed for the 2022-2025 period. Through the Annual General Shareholders' Meeting two (2) independent directors were appointed.

In addition to the criteria established in the "Guidelines for the Qualification of Independent Directors", the company has established the following criteria to classify Directors as Independent Directors:

Pursuant to the provisions in article 5 of Resolution No. 016-2019-SMV/01, the Company appointed its Independent Directors in accordance with its own criteria. See answer III.7.2 of principle 19 herein.

### Question III.7

	Yes	No	Explanation:
<i>1. Does the Board of Directors state that the proposed candidate is independent based on enquiries and on the candidate's statement?</i>		X	Directors sign a statement certifying their independent condition. Considering that, according to the Company Law and Bylaws, the Board is appointed by the General Shareholders' Meeting, the Board has not considered to date the ex-ante verification of the independent condition of candidates for Director.
<i>2. Do candidates to Independent Director state their condition as independent before the Corporation, its shareholders and directors?</i>	X		Each of the current independent directors submitted a statement to the Company declaring as follows: (i) They are not a shareholder and do not have the power to exercise a voting right in a percentage above one percent (1%) of the share capital of the Company and they do not have agreements to permit them to exercise the right to purchase shares from the Company in such percentage. (ii) they are not a director or senior manager or employee of the Company at any of the legal entities composing the economic group of the Company, with share



		<p>interest equal to or higher than five percent (5%) of its share capital.</p> <p>(iii) they have not been a director or senior manager or employee of the Company at any of the legal entities composing the economic group of the Company, with share interest equal to or higher than five percent (5%) of its share capital.</p> <p>(iv) They do not have and have not in the last three (3) years any business or contractual relation, direct or indirect, and of significant nature, with the Company or with any other company of its economic group.</p> <p>(v) They are not spouse or common law partner, according to article 326 of the Civil Code or superseding regulation, and do not maintain any analogous affective blood or family relationship up to the second degree, with shareholders with a share interest equal to or higher than five percent (5%) of its share capital, board members or the senior management of the Company.</p> <p>(vi) They are not a director or senior manager in another company, where any director or senior manager of the Company is part of the Board of Directors, except where the latter is an independent director of the Company.</p> <p>(vii) They are not and have not been in the last three (3) years, a partner or employee of the Company providing external audit services to the Company or its economic group.</p> <p>(viii) They do not participate simultaneously as independent director in more than five (5) companies with at least a security registered in the Public Records of the Securities Market ("RPMV").</p> <p>(ix) They do not have more than ten (10) years continuously or alternately in the last fifteen (15) years as independent director of the Company or any company of its economic group.</p>
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Please indicate whether the Board at least once a year verifies that independent Directors comply with the requirements and conditions to be qualified as such.

Yes ☐ No ☒

## Principle 20: Operability of the Board of Directors

### Question III.8

	Yes	No	Explanation:
<i>Does the Board of Directors have a working plan to contribute to the efficiency of its roles?</i>	X		The Board has a meeting program including certain proposed items in the agenda.

### Question III.9

	Yes	No	Explanation:
<i>Does the company provide its Directors channels and procedures necessary to effectively participate in Board meetings, even remote sessions?</i>	X		The Company bylaws establish the possibility to carry out remote sessions of Board meetings; and Board meetings may be attended by phone, video conference call and electronic mail.

a. Please give the following information regarding Board meetings held during the fiscal year:

Number of meetings held	10
Number of meetings where the call times were not complied with	0
Number of meetings where the provisions or internal procedures for providing information to the Directors have not been complied with	0
Number of meetings held without call for meeting (*)	2
Number of meetings where the Chairman of the Board was absent	2
Number of meetings where no independent Directors were in attendance	0
Number of meetings where one or more Directors were represented by alternate or substitute directors	2
Number of principal directors represented at least once	1

(\*) In this field, please indicate the number of meetings held by virtue of the last paragraph of article 167 of the General Corporations Law.

b. Please indicate the percentage of Directors attendance to Board meetings during the fiscal year.

Full name	Number of meetings called	Number of meetings called and attended	Number of meetings with full representation attended
Anibal Juan Prieto Larrain	8	8	2
Frank Jean Alain Demaille	8	6	2
Diego Matias Niebuhr	8	7	2
Pascal Gérard Jean- Claude Renaud	8	8	2
Rosaline Corinthen	8	8	2
Veronica Elizabeth Zavala Lombardi	8	8	2
Dora Maria Avendaño Arana	8	8	2

c. Indicate how far in advance was the information related to the topics to be discussed at a meeting provided to the Board in the fiscal year:

3 calendar days (*)	From 4 to 6 calendar days	More than 6 calendar days
X(*)		

(\*) The Board of Directors approved a reference schedule for 2023 Board Sessions.

d. Indicate how far in advance to the Board meetings in the fiscal year was the information related to the topics to be discussed in those meeting provided to the Directors.

Less than 3 business days	From 3 to 5 business days	More than 5 business days
X		

### Question III.10

	Yes	No	Explanation:
1. Does the Board of Directors evaluate in an objective way its performance as a governing body?		X	The Regulation of the Company's Board establishes the possibility to assess the Board management performance (as a governing body and individually). If applicable, such assessment will be conducted in the first three months of every calendar year. However, to date, the Board has not conducted such assessment.
2. Does the Board of Directors evaluate in an objective way its member's performance?		X	See answer above.
3. Are methods of self-evaluation and evaluation by external consultants alternately performed?	X		The Regulation of the Company's Board establishes that the Board may approve the engagement of external advisors in the assessment procedure.

a. Please indicate whether performance evaluations of the Board have been made during the fiscal year.

	Yes	No
As a governing body		X
To its members		X

In case the answer is yes to any of the questions above, please indicate the following information for each assessment:

Assessment	Self-assessment			External assessment			
	Date	Comm. of results (Yes/No)	Comm. to (*)	Date	Entity in charge	Comm. of results (Yes/No)	Comm. to (*)

(\*) Indicate Yes or No, if evaluation was made available to shareholders, Board, other body or stakeholder.


## Principle 21: Special committees

### Question III.11

	Yes	No	Explanation:
1. Are there special committees within the Board of Directors of the Company created to focus on areas that are most important for the conduct of Company business?	X		Some of the Board members are part of the following committees: Committee for the Review of Transactions between Related Companies and Audit Committee.
2. Are the regulations governing each of the special committees created by the Board of Directors subject to Board approval?	X		Each of these committees have documents governing their operation, which were approved at a Board meeting held on May 5, 2006. In case of the regulation of the Audit Committee, it was replaced with a new version approved at a Board meeting held on September 9, 2020.
3. Are the special committees chaired by Independent Board Members?	X		The Committee for Review of Transactions between Related Companies and the Audit Committee are chaired by independent directors.
4. Are special committees assigned a budget?		X	Special committees are not assigned a budget. To date, the Board has not considered assigning a specific budget to the committees. However, the Regulation of the Board provides that directors are entitled to request the support from experts and specialized external advisors to the Board.

### Question III.12

	Yes	No	Explanation:
Does the Company have a Nominating and Compensations Committee entrusted with appointing the Board member candidates who will be proposed by the Board for approval at the General Shareholders'?		X	The Company does not have a Nominating and Compensations Committee. To date, the Board has not considered the application of such practice, and

## Principle 21: Special committees

### Question III.11

	Yes	No	Explanation:
1. Are there special committees within the Board of Directors of the Company created to focus on areas that are most important for the conduct of Company business?	X		Some of the Board members are part of the following committees: Committee for the Review of Transactions between Related Companies and Audit Committee.
2. Are the regulations governing each of the special committees created by the Board of Directors subject to Board approval?	X		Each of these committees have documents governing their operation, which were approved at a Board meeting held on May 5, 2006. In case of the regulation of the Audit Committee, it was replaced with a new version approved at a Board meeting held on September 9, 2020.
Meeting, and approving Senior Management's compensation and incentive system?			therefore the provisions set forth in the General Corporations Law and Company Bylaws apply.

### Question III.13

	Yes	No	Explanation:
Does the Company have an Audit Committee to supervise the effectiveness and suitability of the Company's internal and external control system and the reports submitted by the independent auditor or auditing firm, as well as compliance with regulations on legal and professional independence?	X		The Company has an Audit Committee, the operation of which is regulated by the Regulation of the Audit Committee approved at the Board Meeting held on September 9, 2020 (to replace the previous regulation approved at the Board Meeting held on May 5, 2006).

a. Please indicate whether or not the Company has additionally the following Special Committees:

	Yes	No
Risks Committee		X
Corporate Governance Committee		X

b. If the Corporation has Special Committees, please provide the following information regarding each committee:



## Principle 21: Special committees

### Question III.11

	Yes	No	Explanation:
1. Are there special committees within the Board of Directors of the Company created to focus on areas that are most important for the conduct of Company business?	X		Some of the Board members are part of the following committees: Committee for the Review of Transactions between Related Companies and Audit Committee.
2. Are the regulations governing each of the special committees created by the Board of Directors subject to Board approval?	X		Each of these committees have documents governing their operation, which were approved at a Board meeting held on May 5, 2006. In case of the regulation of the Audit Committee, it was replaced with a new version approved at a Board meeting held on September 9, 2020.

COMMITTEE 1	
Name of Committee:	Committee for Review of Transactions between Related Companies
Creation date:	5/05/2006
Main duties:	Review and evaluate the transactions to be made between the Company and companies related to it and/or the ENGIE Group, analyzing the terms of such transactions and putting forward its recommendations to the Board.

Committee members (*): Full names	Date		Position in the Committee	Position in the Company
	Start (**)	End (***)		
Dora Avendaño	05/19/2022		Chairman	Director
Pascal Renaud	05/19/2022		Member	Director
Anibal Prieto	05/19/2022		Member	Director
% of Committee Members who are Independent Directors			33	
Number of meetings held during the fiscal year:			2	

## Principle 21: Special committees

### Question III.11

	Yes	No	Explanation:
1. Are there special committees within the Board of Directors of the Company created to focus on areas that are most important for the conduct of Company business?	X		Some of the Board members are part of the following committees: Committee for the Review of Transactions between Related Companies and Audit Committee.
2. Are the regulations governing each of the special committees created by the Board of Directors subject to Board approval?	X		Each of these committees have documents governing their operation, which were approved at a Board meeting held on May 5, 2006. In case of the regulation of the Audit Committee, it was replaced with a new version approved at a Board meeting held on September 9, 2020.

Does it have powers conferred in accordance with article 174 of the General Corporations Law:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the Committee or its Chairman participate in the General Shareholders' Meeting	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information is to be provided on persons who were Committee members during the reporting year

(\*\*) It refers to the initial appointment as Committee member in the reporting company.

(\*\*\*) To be completed only if the member stopped serving on the Committee during the fiscal year.

COMMITTEE 2	
Name of Committee:	Audit Committee
Creation date:	5/05/2006
Main duties:	Assist the Board with the supervision of financial reports, internal control, risk management and assessment, compliance with applicable laws and regulations, as well as with the verification of transparency and integrity of the financial information made public by the Company.

## Principle 21: Special committees

### Question III.11

	Yes	No	Explanation:
1. Are there special committees within the Board of Directors of the Company created to focus on areas that are most important for the conduct of Company business?	X		Some of the Board members are part of the following committees: Committee for the Review of Transactions between Related Companies and Audit Committee.
2. Are the regulations governing each of the special committees created by the Board of Directors subject to Board approval?	X		Each of these committees have documents governing their operation, which were approved at a Board meeting held on May 5, 2006. In case of the regulation of the Audit Committee, it was replaced with a new version approved at a Board meeting held on September 9, 2020.

Committee Members (*): Full Names	Date		Position in the Committee	Position in the Company
	Start (**)	End (***)		
Verónica Zavala	05/19/2022		Chairman	Director
Diego Matías Niebuhr	05/19/2022		Member	Director
Rosaline Corinthien	11/04/2022		Member	Director
% of Committee Members who are Independent Directors			33	
Number of meetings held during the fiscal year:			4	
Does it have powers conferred in accordance with article 174 of the General Corporations Law:			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the Committee or its Chairman participate in the General Shareholders' Meeting			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information is to be provided on persons who were Committee members during the reporting year.

(\*\*) It refers to the initial appointment as Committee member in the reporting company.

(\*\*\*) To be completed only if the member stopped serving on the Committee during the fiscal year.

COMMITTEE 3	
Name of Committee:	
Creation date:	
Main duties:	

Committee members (*): Full names	Date		Position in the Committee	Position in the Company
	Start (**)	End (***)		
% Of Committee Members who are Independent Directors				
Number of meetings held during the fiscal year:				
Does it have powers conferred in accordance with article 174 of the General Corporations Law:			Yes <input type="checkbox"/>	No <input type="checkbox"/>
Does the Committee or its Chairman participate in the General Shareholders' Meeting			Yes <input type="checkbox"/>	No <input type="checkbox"/>

(\*) Information is to be provided on persons who were Committee members during the reporting year.

(\*\*) It refers to the initial appointment as Committee member in the reporting company.

(\*\*\*) To be completed only if the member stopped serving on the Committee during the fiscal year.

COMMITTEE 4	
Name of Committee:	
Creation date:	
Main duties:	

Committee members (*): Full names	Date		Position in the Committee	Position in the Company
	Start (**)	End (***)		
% of Committee Members who are Independent Directors				
Number of meetings held during the fiscal year:				
Does it have powers conferred in accordance with article 174 of the General Corporations Law:			Yes <input type="checkbox"/>	No <input type="checkbox"/>
Does the Committee or its Chairman participate in the General Shareholders' Meeting			Yes <input type="checkbox"/>	No <input type="checkbox"/>

(\*) Information is to be provided on persons who were Committee members during the reporting year.

(\*) It refers to the initial appointment as Committee member in the reporting company.

(\*\*\*) To be completed only if the member stopped serving on the Committee during the fiscal year.

COMMITTEE 5	
Name of Committee:	
Creation date:	
Main duties:	

Committee members (*): Full names	Date		Position in the Committee	Position in the Company
	Start (**)	End (***)		
% Of Committee Members who are Independent Directors				
Number of meetings held during the fiscal year:				



## Principle 22: Code of Ethics and conflicts of interest

### Question III.14

	Yes	No	Explanation:
<i>Does the Company take measures to prevent, detect, handle and reveal any conflicts of interest that may arise?</i>	X		The Company has an Ethics Officer, an Ethics Committee and ethics policies, as well as an Internal Code of Conduct and a system for reporting incidents, where the actions to be taken in case of conflicts of interest are provided.

(\*) For the purposes of this report, a director, manager, officer and/or worker of the company is considered to have a conflict of interest, in any situation, particular or general, temporary or permanent, current or probable in which he has an interest, particular or general, that is or may be colliding with the social interest

If applicable, please indicate which area and/or person is in charge of follow-up and control of possible conflicts of interest. If the responsible party is a person, please also include that person's position and company area.

Responsible Area	Legal Division	
Responsible person		
Full name	Position	Area
Gilda Spallarossa Lecca	Ethics Officer	Legal Division

### Question III.15 / Compliance

	Yes	No	Explanation:
<i>1. Does the Company have a Code of Ethics (*), and are Board Members, managers, officers and other Company employees (**) required to comply with it, which includes ethical and professional responsibility criteria, as well as how potential conflicts of interest are handled?</i>	X		The Company has an Ethics Charter, which is distributed among the employees (there are also ethics policies in place, which include the protocol on how to handle conflict of interest cases).
<i>2. Does the Board of Directors or the General Management approve training programs regarding compliance with the Code of Ethics at least once a year?</i>	X		The Company has an annual training plan on the different ethics policies and the crime prevention model. The training plan includes training for all employees and specific groups.
<i>3. Does the Board of Directors evaluate the effectiveness of the training programs for compliance with the code of ethics?</i>	X		The Ethics Officer submits the annual training plan executed during the year to the Board.

(\*) The Ethics Code may be part of the Internal Code of Conduct. (\*\*) The term "workers" includes all person who have any type of work relationship with the Company, irrespective of employment regime or system

(\*) The Ethics Code may be part of the Internal Code of Conduct. (\*\*) The term "workers" includes all person who have any type of work relationship with the Company, irrespective of employment regime or system

If the Company has an Ethics Code, please specify:

a. Is it available to:

	Yes	No
Shareholders	X	

Others to whom it applies	X	
General public	X	

b. Specify the means through which the Company provides the Code of Ethics:

Means	Provided
At the Company's office	X
Electronic mail	
Corporate website	X
Mail	
Informative meetings (in-person or remote)	
Social Networks	
Other / Specify	

c. Please indicate which is the area and/or person responsible for monitoring compliance with the Code of Ethics. In case of individuals, please include position, working area, and who they report to.

Responsible Area	Ethics Officer
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Responsible person			
Full names	Position	Area	Reports to
Gilda Spallarossa Lecca	Ethics Officer	Legal Division	CEO

d. Is a record kept of non-compliances with this Code?

Yes ☒ No ☐

e. Indicate the number of reports and investigations started and finished regarding non-compliances with the provisions set out in such Code:

Number of reports submitted	8
Number of investigations started	8
Number of investigations finished	7
Number of non-compliances	6

**Question III.16**

	Yes	No	Explanation:
1. Does the Company have mechanisms for reporting any illegal or unethical conduct and ensuring the confidentiality of the information?	X		The informant can meet with the Ethics Officer, who will evaluate the situation. There is also an Ethics Committee to review the reports in a confidential manner. Additionally, the Company has an Ethics Line RESGUARDA to receive anonymous reports on irregularities or suspicions of non-compliances with the Ethics Charter, through the Company's website (engieenergia.com.pe), electronic mail (ética.engie@resguarda.com), fax (0- 800-00932) and by phone (0-800- 000932).
2. Are reports made directly to the Audit Committee when they are related to financial matters or when the General Management or the Financial Management are involved?		X	The reports are not directly submitted to the Company's Audit Committee. To date, the Board has not considered the application of such practice, since: (i) the Company has an Ethics Committee; and (ii) the Regulation of the Company's Board establishes that the Finance Vice President and/or the Ethics Officer, as applicable, are responsible for reporting to the Audit Committee the concerns that may relate to accounting matters or when the Finance Vice President or the General Manager are involved.

**Question III.17**

	Yes	No	Explanation:
1. Is the Board responsible for follow-up and control of any potential conflicts of interests within the Board?		X	The Board is not responsible for follow-up and control of conflicts of interest arising within the Board. The responsibility for such follow-up lies with the Ethics Officer. To date, the Management has not considered such practice, since the Ethics Officer, who is also the Board Secretary, reports to the Board about the follow-up and control. However, the Regulation of the Company's Board requires 45 % of total shares held by Senior Management directors to disclose the conflicts of interest they may have and to refrain from

			voting in matters where they have conflicts of interest.
2. If the Company is not a financial institution, does it have an established policy preventing Board members from receiving loans from the Company or any company in its economic group, unless prior authorization from the Board of Directors is obtained?		X	The Company does not have a policy prohibiting Board members to receive loans from the Company or any company in its economic group. To date, the Management has not considered the application of such practice, and therefore the provisions set out in the General Corporations Law apply. It should be noted that the Internal Rules of Conduct incorporate by reference the provisions.
3. If the Company is not a financial institution, does it have an established policy preventing Senior Management members from receiving loans from the Company or any company in its economic group, unless prior authorization from the Board of Directors is obtained?		X	The Company does not have a policy prohibiting Senior Management members to receive loans from the Company or any company in its economic group. To date, the Management has not considered the application of such practice, and therefore the provisions set out in the General Corporations Law apply. It should be noted that the Internal Rules of Conduct adopt the provisions set out in the Securities Market Law.

a. Please provide the following information about members of the Senior Management who are shareholders with a percentage equal to or higher than 4% of the Corporation's capital stock.

Full name	Position	Number of shares	% Of total shares

% of total shares held by Senior Management	
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b. Please indicate if any members of the Company Board or Senior Management is a spouse, has a first- or second-degree kinship by blood, or has any first degree of affinity with:

Full Name	Related to:	Full name of shareholder / Director / Manager	Type of relationship (**)	Additional information (***)

	Share holder (*)	Dire ctor	Seni or Mg mt.			

(\*) Shareholders with a share interest equal to or greater than 4% of the share capital

(\*\*) The criteria for relationships contained in the Regulation of Indirect Ownership, Relationship and Economic Groups shall apply in order to determine such relationships.

(\*\*\*) Should a relationship exist with any shareholder, including the shareholder's share interest. If there is a relationship with a member of the Senior Management, include the manager's position.

c. In case any member of the Board currently holds or has held a management position in this Company during the reporting year, please provide the following information:

Full name	Management position currently or previously held	Period in management position	
		Start (*)	End (**)
Hendrik De Buyserie	CEO	02/03/2018	04/01/2023
El Mehdi Ben Maalla (Director alterno)	CEO	04/01/2023	
Daniel Javier Cámac Gutiérrez (Director alterno)	Commercial, Regulation and Corporate Affairs Vice-President	05/15/2012	
Gilda Spallarossa (Director alterno)	Legal Vice-President	04/01/2015	
Cesar Cornejo (Director alterno)	Operations and Projects VicePresident	07/01/2021	
Luciano Guffanti (Director alterno)	Finance Vice-President	08/02/2022	

(\*) It refers to the initial appointment to the management position in the reporting company.

(\*\*) To be completed only if the member stopped serving in the management position during the fiscal year.

d. If, during the reporting year, any member of the Board of Directors or Senior Management had any commercial or contractual relationship with the Company that may be significant due to its value or matter, please provide the following information

Full name	Type of relationship	Brief description

## Principle 23: Operations with related parties



### Question III.18

	Yes	No	Explanation:
1. Does the Board of Directors have policies and procedures to assess, approve and disclose certain transactions between the Company and related parties, as well as to be aware of direct or indirect commercial or personal relationships among Board Members and between Board Members and the Company, Company suppliers or clients, and other stakeholders?	X		The Committee for Review of Transactions between Related Companies analyzes the cases with operations between the Company and related companies. Independent directors sign affidavits certifying that they do not take part in companies representing main shareholders. The Internal Code of Conduct takes into account the purchase/sale of a Company.
2. In the case of particularly significant or complex transactions, is assessment by independent external advisors provided for?	X		The Regulation of the Company Board establishes that Directors are entitled to request the support or assistance from external experts and external advisors specialized before the Board.

- a. If the answer to item 1 of question III.18 is yes, indicate which area(s) of the Company is in charge of handling transactions with related parties in the following aspects:

Aspects	Área Encargada
Assessment	Committee for Review of Transactions between Related Companies
Approval	Board
Disclosure	

- b. Specify the procedures to approve transactions between related parties:

The Committee for Review of Transactions between Related Companies evaluates the transaction and analyzes the information provided. Afterwards, if the Committee deems it convenient, it recommends the transaction to the Board, which, after a second evaluation, approves or disapproves it.

- c. Please detail those transactions between the Company and its related parties performed during the reporting year, which due to their value or matter are considered relevant.

Name or company name of the related party	Nature of the relationship (*)	Type of transaction	Amount (PEN)

(\*) The provisions for the application of paragraph c) of article 51 of the Securities Market Law, approved by Resolution No.029-2018-SMV/01 or substitute regulation apply to determine any such relationship

- d. Please specify if the Company establishes limits on transactions with related parties:

Yes

☒

No

☐

## Principle 24: Roles of Senior Management

### Question III.19 / compliance

	Yes	No	Explanation:
1. Does the Company have a clear policy defining the limits between the governance functions of the Board of Directors, the regular management by Senior Management and the leadership of the General Manager?	X		Regulated through the General Powers Regime.
2. Are the positions of General Manager and Chairman of the Board of the Company held by different persons?	X		Both positions are appointed by the Board.
3. Does Senior Management have sufficient autonomy to carry out designated functions within the framework of the policies and guidelines defined and monitored by the Board of Directors?	X		
4. Is the General Manager responsible for following and enforcing the policy for providing information to the Board and Board Members?	X		
5. Does the Board annually review the General Manager's performance subject to well-defined standards?		X	To date, the Company has not considered the application of such practice, since the Board meets on a regular basis, where the General Management gives an account about the Company's operation and management, and the Board is deemed to have been duly informed.
6. Does the compensation made to Senior Management have a fixed component and a variable component that takes into consideration the Company's performance, based on sound and responsible risk-taking and meeting the goals defined in the respective plans?	X		

a. Provide the following information regarding the remuneration of the CEO and Senior Management (including bonuses).

Position	Remuneration (*)	
	Fixed	Variable
CEO		
SENIOR MANAGEMENT (includes the remuneration of CEO)	0.1704	0.0989

(\*) Please indicate the percentage representing the total amount of annual remunerations of the Senior Management, regarding the level of gross revenues, according to the Company's financial statements.

b. In case the Company pays bonuses or indemnifications to senior managers other than those required by law, indicate how these are paid.

	CEO	Managers
In shares		
In options		
In cash	X	X
Other / Specify		

c. In case the Corporation pays bonuses or indemnifications to senior managers other than those required by law, indicate how these are paid.

According to the previously determined annual objectives
--

d. Has the Company defined a long-term incentive plan for the Senior Management

Yes ☐

No ☒

e. Indicate if the Board evaluated the performance of the General Manager during the fiscal year.

Yes ☒

No ☐

## PILLAR IV: Risk and Compliance

### Principle 25: Risk management system environment

#### Question IV.1

	Yes	No	Explanation:
1. Has the Board of Directors approved a comprehensive risk management policy suitable to the Company's size and complexity, promoting a risk management culture within the Company, from the Board of Directors to Senior Management to the employees themselves?	X		At Board meeting held on May 19, 2022, the new Commercial and Market Risk Policy was approved. The Company also manages its risks at all levels, verifying the risks in all divisions at the Vice President Committee and at the Board level through face-to-face meetings, the review of Occupational Health and Safety Standards (OHS), ethics, financial and commercial issues, and others. From 2023, the Energy Management Committee was established to monitor the market and credit risk of the portfolio. In addition, the organizational structure was strengthened to reinforce the segregation of functions by creating the Risk Control Management and the Portfolio Administration Management who are

			responsible for defining and controlling the risk appetite of commercial activities. The progress of said project is reported at the board level.
2. Does the comprehensive risk management policy extend to all of the companies in the group and provide an overall overview of critical risks?	X		The Company's risk management is conducted in accordance with the global risk management policy of the ENGIE Group.

a. If your answer to item 1 of question IV.1 is yes, specify which of the following mechanisms does the Board use to promote a risk culture (more than option can be marked):

The appointment of an individual responsible for the integrated risk management at the highest level.	
A risk-based authority delegation policy.	X
Training and awareness on responsibilities and key risks.	X
Supervision of exposure to the risks at the highest level.	X
The approval of an annual risk management work plan.	
Other (specify)	

b. Does the Company have a risk management delegation policy establishing the limits of risks that may be managed by each level of the Company?

Yes

X

No

#### Question IV.2

	Yes	No	Explanation:
1. Does the General Manager manage the risks to which the Company is exposed and advises the Board of Directors of these risks?	X		The General Management, through the Executive Committee - Vice Presidents-, monitors the risks to which the Company is exposed and informs the Board accordingly.
2. Is the General Manager responsible for the risk management system, should there be no Risk Committee or Risk Manager?	X		Each Company division, through its Vice Presidents and Managers, is responsible for managing the risks in its area of activity, for which a risk management process is implemented (identify, classify, propose action plans and monitor their implementation). The person responsible for consolidating the risks is the

			Finance Vice President, who leads the Finance and Risk Committee.
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a. Indicate the following regarding the integrated risk system:

	Yes	No
<i>Does the Senior Management maintain a risk management process including identification, measurement, administration, control and monitoring?</i>	X	
<i>Does Senior Management inform the Board of Directors of the risk exposure through an Audit or risk Committee?</i>	X	

b. Does the Company have a Risk Manager?

Yes ☒ No ☐

If the answer is yes, please provide the following information:

Full name	Period in management position		Reports to (Area / Body)
	Start (*)	End (**)	
Luciano Guffanti	08/02/2022	(*)	CEO

(\*) It refers to the initial appointment in the reporting company.

(\*\*) To be completed only if the manager stopped serving in that position during the fiscal year

#### Question IV.3

	Yes	No	Explanation:
<i>Does the Company have an internal monitoring system supervised by the Board of Directors as to effectiveness and suitability?</i>	X		The Board Regulation establishes that Company's internal auditor is responsible before the Audit Committee to report on the internal (annual) audit plan, the execution of such plan and the results obtained in the year. At the Board meeting held on May 18, 2023, the internal auditor reported of the 2022 Audit Plan and at the Audit Committee session held on November 6, 2023; the 2024 Audit Plan was presented.

a. If your answer to the previous question is yes, indicate whether this system is integrated into a reporting line and a process for resolving them.

Yes ☒ No ☐



b. Does the company have a prevention model implemented and in operation, in accordance with the provisions of Law No. 30424, Law that regulates the administrative liability of legal persons, or by the regulation that modifies or replaces it?

Yes ☒ No ☐

If your answer is yes, indicate which of the following elements are included in your prevention model:

Risk identification, assessment and mitigation	<input checked="" type="checkbox"/>
Person responsible for Prevention	<input checked="" type="checkbox"/>
Implementation of reporting procedures	<input checked="" type="checkbox"/>
Dissemination and regular training of the model	<input checked="" type="checkbox"/>
Continuous evaluation and monitoring of the model	<input checked="" type="checkbox"/>

If the company has certifications related to risk management system, management of Compliance or anti-bribery management system, indicate which.

In 2023, the Company obtained a platinum medal (highest rating) of the "ECOVADIS" certification, the reference corporate sustainability rating agency in the world, through which 21 sustainability criteria were measured grouped by topics, including Ethics, Environment, Labor Practices & Human Rights and Sustainable Purchasing.

## Principle 26: Internal audit

### Question IV.4

	Yes	No	Explanation:
1. Does the internal auditor work exclusively on auditing tasks, having autonomy, experience and expertise in the areas to be monitored, and independence to follow-up and evaluate the effectiveness of the risk management system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Do the roles of the internal auditor include to continuously review that all of the financial information created or booked by the Company is valid and reliable, as well as to verify the effectiveness of regulatory compliance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. Does the internal auditor report directly to the Audit Committee on plans, budget, activities, progress, results obtained, and actions taken by said internal auditor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Regulations of the Board of Directors establish that the Company's internal auditor must report to the Audit Committee on the (annual) internal audit plan, the execution of said plan and the results obtained during the year.

a. Please indicate if the Company has an independent area in charge of internal auditing.

Yes ☒ No ☐

If the answer is yes, within the organizational structure of the Company, what body does Audit report to?

Reports to:	The Board, following a proposal of the Audit Committee, approves the designation, ratification or termination of the internal auditor. In addition, the internal auditor of the Company reports directly to the Audit Committee (see answer IV.4.3 of this Principle 26) and in the internal organization chart he/she appears under the CEO.
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b. If the Company belongs to an economic group, please indicate if the Company has a Corporate Internal Auditor.

Yes ☒ No ☐

Please indicate which are the main responsibilities of the person in charge of internal audit and whether he/she has other duties other than internal auditing.

Supervision duties for the Company's internal control model to provide reasonable safety for fulfillment of the following objectives: efficiency and effectiveness of operations, reliability of the financial information and compliance with applicable laws and regulations.

#### Question IV.5

	Yes	No	Explanation:
<i>Does the Board of Directors appoint and remove the Internal Auditor at the proposal of the Auditing Committee?</i>	X		The Board Regulation establishes that the Audit Committee proposes to the Board the appointment, ratification or dismissal, as applicable, of the Company's internal auditor.

### Principle 27: External auditors

#### Question IV.6

	Yes	No	Explanation:
<i>Is an auditing firm or independent auditor, demonstrably independent from the Company, designated at the General Shareholders' Meeting, at the proposal of the Board of Directors?</i>	X		At the General Shareholders' Meeting held on March 18, 2022, the designation of the Audit Firm was approved for the year 2022. Every year, the General Shareholders' Meeting shall appoint external auditors, who shall be certified public accountants, but can also delegate to the Board such appointment.

a. If the answer to the previous question is yes, Does the Board or the Audit Committee verify that the Audit firm or the independent auditor maintain clear independence with the Company?

Yes ☒ No ☐

If your answer is yes, specify the mechanisms used by the Company to validate such independence (mark more than one if applicable):

<i>The Company requires a sworn statement from the audit firm or independent auditor certifying independence from the Company.</i>	<input checked="" type="checkbox"/>
<i>The Company conducts its own validation of potential conflicts of interest of the audit firm or independent auditor.</i>	<input type="checkbox"/>

b. Does the external Audit firm or external auditor report directly to the Board or the Audit Committee?

Yes ☒ No ☐

c. Does the Company have a policy approved by the Board or the Audit Committee for designating the External Auditor?

	Yes	No
<i>Board of Directors</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Audit Committee</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer is yes, describe the procedure for engaging the auditing firm entrusted with preparing the audit report on the annual financial statements (including identification of the corporate body in charge of selecting the auditing firm).

Article 25 of the Bylaws provides that the General Shareholders' Meeting is entitled to appoint or delegate to the Board the appointment of auditors. The current auditors were appointed by the General Shareholders' Meeting. Additionally, at the Board Meeting held on May 30, 2017, the procedure for "Appointment of External Audit Firms and External Audit Process" was approved for selecting, maintaining or changing the audit firm taking into account the criteria set out therein.

d. If the audit firm has performed services other than auditing accounts, please indicate if such other services were advised to the General Shareholders' Meeting, and what percentage of the audit firm's total invoicing to the Company is represented by such other services.

Yes ☐ No ☐

e. Do persons or related entities related to the auditing firm provide services to the Company, other than services performed for auditing accounts?

Yes ☐ No ☒

If the answer is yes, please provide the following information about the additional services rendered by persons or entities related to the auditing firm during this reporting year.

Name or company name	Additional services	% of remuneration (*)

(\*) Invoicing for additional services in addition to the invoicing of audit services.

f. Please indicate if the audit firm has used different teams for any additional services rendered other than auditing accounts.

Yes

☐

No

☐

#### Question IV.7

	Yes	No	Explanation:
1. Does the Company maintain a policy for renewing its independent auditor or auditing firm?	X		
2. If such a policy establishes time periods for renewing the auditing firm, does the auditing firm's work team rotate at most every five (5) years?	X		

Please provide the following information on the audit firms that have provided services to the Company in the past five (5) years.

Period (start with the fiscal year)	Name of the auditing firm	Service (*)	Approximate duration of the audit work (in business days)	Consideration (**)	% of amount paid to auditing firm (***)
2023	Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada	Opinion on financial information	90	100	0.002%
2022	Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada	Opinion on financial information	90	100	0.002%
2021	Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada	Opinion on financial information	90	100	0.002%
2020	Paredes, Burga & Asociados Sociedad Civil de Responsabilidad Limitada	Opinion on financial information	90	100	0.002%
2019	Paredes, Burga & Asociados Sociedad Civil de Responsabilidad Limitada	Opinion on financial information	95	100	0.002%

(\*) Include all types of services, such as opinions on financial information, accounting expert appraisal, operating audits, system audits, tax audits or other services

(\*\*) From the total amount paid to the audit firm on all items, indicate the percentage paid for financial auditing services

(\*\*\*) Information obtained from the auditing firm.

(\*\*\*\*) The audit service fees for fiscal year 2023 were S/. 285,355 plus additional extraordinary services for S/. 16,500, for a total of S/. 301,855.  
S/. 16,500 for a total of S/. 301,855.

#### Question IV.8

	Yes	No	Explanation:
<i>In the case of economic groups, is the external auditor the same one for the whole group, including offshore affiliates?</i>	X		At the Board Meeting held on May 30, 2017, the procedure for "Appointment of External Audit Firms and External Audit Process" was approved. By virtue of such policy and taking into account the observations made by the shareholders, the external audit firm was rotated from fiscal year 2018.

Please indicate if the audit firm engaged to issue an opinion on the Company's financial statements for this fiscal year also issued an opinion on the financial statements of other companies in its economic group for the same year.

Yes

☒

No

☐

If the answer is yes, please indicate the following:

Name or Business Name of the company(ies) in the Economic Group
ENGIE PERU S. A.* (*List of companies through which the ENGIE Group is present in Peru).

## PILLAR V: Information Transparency

### Principle 28: Information policy

#### Question V.1

	Yes	No	Explanation:
<i>Does the Company have an information policy for shareholders, investors, other stakeholders and the market in general, where the guidelines, standards and criteria to be applied to manage, collect, prepare, classify, organize and/or distribute information developed or received by the Company are defined in a formal, orderly and comprehensive manner?</i>		X	The Company has information available on its corporate website ( <a href="http://www.engie-energia.pe">http://www.engie-energia.pe</a> ) regarding its operations, production, client portfolio, projects under development and financial position. This information is updated on a quarterly basis, after the publication of its financial statements. The Company also has a single point of contact for shareholders and investors. In addition, the Internal Rules of Conduct of the Company governs the submission of information to the SMV on significant events and reserved information.



a. If applicable, please indicate whether the Company disseminates the following under its information policy:

	Yes	No	Means
Bylaws			
Corporate purpose			
Résumés of the Senior Management			
Board Regulation			
Regulation of Board Committees			
Contact data with investor relations office or person who performs such role			
Regulation of the GSM			
Code of Ethics			
Integrated risk management policy			
Dividend policy			
Other / Specify	While the Company does not have a specific policy on the submission of information to shareholders, the Company posts on a regular basis information of interest for the shareholders, such information is found in the "Investors" section of the Company website ( <a href="https://engie-energia.pe/inversionistas">https://engie-energia.pe/inversionistas</a> ).		

## Question V.2

	Yes	No	Explanation:
Does the Company have an investor relations office?	X		

a. If the Company has an investor relations office, please indicate who is the person in charge.

Responsible for the investor relations office	Adriana Burneo – Corporate Finance and Investor Relations Manager.
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b. In case an investor relations office does not exist, specify which is the unit (department or area) or person in charge of receiving and handling the request for information of the company's shareholders and public in general. If a person is in charge, specify their charge and work area.

Responsible Area	
------------------	--

Person in charge			
Full name	Position	Area	Reports to

## Principle 29: Financial Statements and Annual Report

a. Does the opinion of external auditors regarding the financial statements for the fiscal year contain exceptions and measurement thereof?

Yes

☐

No

☒

b. In case of exceptions in the report by the external auditor, have they been explained and/or justified to the shareholders?

Yes

☐

No

☐

## Principle 30: Information on shareholding structure and shareholders' agreements

### Question V.3

	Y e s	No	Explanation:
<i>Does the Company disclose the ownership structure, considering the various share classes and, if applicable, any joint share interest held by a particular economic group?</i>	X		The Company reports about its shareholding structure and share interest of the economic group at year end in its Annual Report (Integrated Report) and through information reported to the SMV.

Please indicate the share ownership structure of the Company at the end of the fiscal year.

Shares with voting rights	Number of shareholders (at fiscal year-end)	Share interest %
Less than 1%	753	4.19%
Between 1% and 4%	6	14.83%
Between 4% and 10%	3	19.21%
More than 10%	1	61.77%
Total	763	100%

Shares without voting rights (if applicable)	Number of shareholders (at fiscal year-end)	Share interest %
Less than 1%		
Between 1% and 4%		
Between 4% and 10%		
More than 10%		
Total		

Investment shares (if applicable)	Number of shareholders (at fiscal year-end)	Share interest %
Less than 1%		

Between 1% and 4%		
Between 4% and 10%		
More than 10%		
Total		

Percentage of share capital in portfolio shares:

0

#### Question V.4

	Y e s	No	Explanation:
Does the Company report shareholders' agreements?		X	

If the answer is yes, indicate the subject matter of each agreement.

Election of Board members	
Exercising of voting right at shareholders' meetings	
Restriction on the free transfer of shares	
Changes in Company internal regulations or bylaws	
Other /Specify	

### Principle 31: Corporate Governance Report

#### Question V.5

	Yes	No	Explanation:
Does the Company disclose its corporate governance standards in an annual report, the contents of which is under the responsibility of the Board of Directors, following prior reports from the Audit Committee, the Corporate Governance Committee or, if applicable, an external consultant?		X	The Company does not prepare a corporate governance report as such. To date, the Board has not given consideration to the application of such practice, since the Annual Report (now Integrated Report) includes the Good Corporate Governance and Sustainability Principles, which are approved first by the Board and then by the Annual Shareholders' Meeting.

a. If the answer is yes, please provide the following information:

Document name	Date of approval	Web link:

- b. Specify who reviews such Report before submission to the Board of Directors:

CEO	
Internal audit	
Audit Committee	
Corporate Governance Committee	
Specialized external advisor	
ESG specialized area	
Other / Specify:	

- c. Does the Company have mechanisms for internal and/or dissemination of adopted corporate governance practices?

	Yes	No
Internal dissemination		X
External dissemination	X	

If the answer is yes, mark the mechanisms used, as appropriate:

	Internal dissemination	External dissemination
Specific section in website		X
Electronic mail		
Posting and hard copies distribution		
Attendance in events, forums or specialized institutional events		
Other / Specify:		

## SECTION C:

### Contents of Company documents

Indicate which of the following Company documents regulate the matters below:

		Principle	Bylaws	Internal regulation (*)	Manual	Other	Not regulated	Not applicable	Document name (**)
1	Policy for redemption or swap of shares without voting rights	1						x	
2	Shareholder registration method and person in charge of the shareholder register	2	x						
3	Procedures for selecting an external advisor to issue an independent opinion on proposals made by the Board of Directors on corporate operations that may affect the shareholders' right to no dilution	3		x					Board Regulation
4	Procedure for receiving and responding to shareholders' requests for information and opinion	4		x					Reg. of the General Shareholders' Meeting
5	Dividend policy	5		x					Dividend policy
6	Policies or agreements preventing adoption of anti-takeover mechanisms	6						x	
7	Arbitration agreement	7	x						
8	Policy for selecting Company Board Members	8	x						
9	Policy for evaluating remuneration of Company Board Members	8	x						
10	Mechanisms to provide shareholders with information regarding the items in the agenda for General Shareholders' Meetings and the proposals for resolutions to be passed.	10		x					Reg. of the General Shareholders' Meeting
11	Methods in addition to those established by law used by the Company to call shareholder meetings	10					x		
12	Additional mechanisms for shareholders to submit proposals for agenda items to be discussed at General Shareholders' Meetings.	11		x					Reg. of the General Shareholders' Meeting
13	Procedures for accepting or rejecting agenda items proposed by shareholders to be included in General Shareholders' Meetings	11		x					Reg. of the General Shareholders' Meeting
14	Mechanisms to allow for shareholders to participate virtually in Shareholders' meetings	12					x		
15	Procedures for shareholders to issue separate votes on independent matters	12	x						
16	Procedures for delegating voting rights	13	x	x					Reg. of the General Shareholders' Meeting
17	Requirements and formalities for a shareholder to be represented at a Shareholders' Meeting	13	x	x					Reg. of the General Shareholders' Meeting
18	Procedures for delegating voting rights on members of the Board or of Senior Management	13					x		
19	Procedure for following-up on resolutions passed at General Shareholders' Meetings	14		x					Reg. of the General Shareholders' Meeting
20	The minimum and maximum number of members in the Company's Board of Directors	15	x						
21	Procedure for the selection and permanence of the members of the Board of Directors	15	x						
22	The duties, rights and roles of the Company's Board Members	17	x	x		x			Internal Code of Conduct (Nov 2017) and Board Regulation



23	Board of Directors' Compensation Policy	17					x		
24	Policy for retaining consulting services to be provided to Board Members	17		x					Board Regulation
25	Induction Policy for new Board Members	17		x					Board Regulation
26	Special requirements to be an Independent Director of the Company	19		x					Independent Directors sign a statement to certify their condition as Independent and refer to the criteria for such capacity
27	Policy for determining, following-up and monitoring possible conflicts of interests	22		x		x			Ethics Charter and Practical Ethics Guide Board Regulation Conflict of Interests Prevention Policy
28	Policy defining the procedure for assessing, approving and disclosing operations with related parties	23				x			Terms of Reference of the Committee for Transaction between Related Companies
29	Responsibilities and roles of the Chairman of the Board, the Executive President, the General Manager, and other officers with Senior Management positions	24	x	x					Board Regulation
30	Criteria for evaluating the performance of Senior Management	24				x			Salary Policy
31	Policy for establishing and evaluating compensation of Senior Management	24				x			Salary Policy
32	Integrated risk management policy	25				x			Internal Procedures
33	Responsibilities of person or area in charge of Internal Auditing	26		x		x			Internal control system Board Regulation Internal Audit Plan (yearly)
34	Policy for designating the External Auditor, the External Auditor's contract term, and criteria for External Auditor renewal	27				x			Policy for external audit firm appointment and external audit process
35	Policy for disclosing and communicating information to investors	28					x		

(\*) Includes Regulation of the General Shareholders' Meeting, Board Regulation and others issued by the Company.

(\*\*) Please indicate the name of the document, unless it is the Company Bylaws.

# CORPORATE SUSTAINABILITY REPORT

The background features abstract geometric shapes in light blue and green. A large, light blue chevron points right, with a smaller one nested inside it. A green chevron also points right, positioned below the blue ones. A horizontal bar, colored light blue on the left and green on the right, spans the width of the text.

# CORPORATE SUSTAINABILITY REPORT

## CORPORATE SUSTAINABILITY REPORT (10180)

Company name:

ENGIE Energía Perú S.A.

Fiscal year:

2023

Website:

[engie-energia.pe](https://engie-energia.pe)

Company name of Audit Firm: <sup>1</sup>

RPJ

2829

<sup>1</sup> Available only if the information contained in this report has been reviewed by a specialized Company (e.g., auditing firm or consultancy firm).

## I. ENVIRONMENT AND CLIMATE CHANGE

### Environmental Policy:

Question 1	Yes	No	Explanation:
Does the company have an environmental policy or a management system that includes environmental commitments?	X		In line with the requirements of certification ISO14001, ENGIE Energía Perú has an Environmental Policy, which follows the guidelines of the ENGIE Group.  The Environmental Policy of ENGIE Energía Perú is available at: <a href="https://engie-energia.pe/wp-content/uploads/2023/07/Politica-Ambiental-2023-ES.pdf">https://engie-energia.pe/wp-content/uploads/2023/07/Politica-Ambiental-2023-ES.pdf</a> The internal management system includes commitments to protect the environment, prevent contamination and improve company's performance on environmental matters.

a. If the answer to question 1 is yes, indicate the name of the document in which the policy or management system adopted by the company is evidenced, date of approval and the year from which it has been applied:

Document name	Date of approval	First year of application
P0200 Environmental Policy (last update in 2023)	06/30 /2023	2004

b. If the answer to the question 1 is yes, specify:

	Yes	No	Explanation:
Has said environmental policy or management system been approved by the Board of Directors?		X	The ENGIE Group has an Environmental Policy applicable to its subsidiaries The Environmental Policy of the ENGIE Group is available at: <a href="https://www.engie.com/sites/default/files/assets/documents/2023-06/Engie_Politique%20environnementale_GB.pdf">https://www.engie.com/sites/default/files/assets/documents/2023-06/Engie_Politique%20environnementale_GB.pdf</a>

			The Environmental Policy of ENGIE Energía Perú follows the same guidelines as the ENGIE Group.
<i>Does said environmental policy or management system contemplate risk management, identification and measurement of the environmental impacts of its operations related to climate change(*)?</i>	X		Our Environmental Policy considers, inter alia, the commitment with the compliance with applicable environmental regulation (including compliance with maximum permissible limits and environmental quality standards in force), as well as the evaluation of opportunities to implement improvements and energy efficiency solution in our plants and projects and promote the use of materials and technologies that permit, to the extent possible, to reduce greenhouse gasses. ENGIE Energía Perú has an operating and environmental information compilation platform, where energy inputs and output at each operating plant are entered. Additionally, through the corporate platform, Greenhouse Gas (GHG) emissions are also measured and reported to the ENGIE Group
<i>Does the company have an annual report in which the results of its environmental policy are evaluated and which has been made known to the Board of Directors?</i>	X		The results of our environmental management are part of the Integrated Report of ENGIE Energía Perú, which is prepared on a yearly basis and is approved by the Board of Directors and the General Shareholders' Meeting.

(\*) As part of its climate change management, the Company is expected to include "physical" aspects (floods, landslides, droughts, desertification, etc.) and/or aspects of "transition" to a new low-carbon economy (use of new technologies, decarbonization of investment portfolios, etc.).

<b>Question 2</b>	<b>Yes</b>	<b>No</b>	<b>Explanation:</b>
<i>During the fiscal year, was the Company subject to any kind of investigation, community complaint, public controversy, or any corrective measures, preliminary injunctions, fines, or other sanctions involving the violation of environmental laws on its part? (*)</i>		X	No during this fiscal year.

(\*) In this point, the Company is expected to include those investigations, community complaints, public controversies, or corrective measures, preliminary injunctions, fines, or other sanctions tied to material impacts. According to the definition of the Global Reporting Initiative, material topics are those topics that reflect the organization's significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of stakeholders.

a. If the answer to question 2 is "Yes," indicate the type of investigation, community complaint, public controversy, corrective measure, preliminary injunction, fine, or other sanction, involved in the violation of environmental laws to which the Company was subject during the fiscal year, as well as the status or situation thereof as of the close of the fiscal year:

Investigation, community complaint, public controversy, corrective measure, preliminary injunction, fine or other sanction	Status or situation

b. Specify whether the Company is involved in any ongoing investigation, community complaint, public controversy, corrective measure, preliminary injunction, fine, or other sanction that involves a violation of environmental laws begun in previous fiscal years, as well as the status or situation thereof as of the close of the fiscal year:

Investigation, community complaint, public controversy, corrective measure, preliminary injunction, fine or other sanction	Status or situation

### Greenhouse Gas (GHG) emissions:

Question 3	Yes	No	Explanation:
Does the Company measure its GHG emissions (*)?	X		ENGIE Energía Perú measures the emissions generated at its operation sites and administrative office every year.

(\*) Greenhouse Gases (GHG): Gases forming part of the atmosphere, whether of natural or human origin, that trap the sun's energy in the atmosphere, causing warming (Law 30754 - Framework Act on Climate Change, as substituted or amended from time to time).

a. If the answer to question 3 is yes, specify:

Document name	Information required
If the Company has certification, its own reports, or third-party reports containing the measurement of total GHG emissions (*), give the name thereof, its issue date, and whether it remains valid as of the close of the fiscal year.	ENGIE Energía Perú reports the footprint of its administrative office through the platform of the Ministry of the Environment under the name "Peru's Carbon Footprint". In addition, ENGIE Energía Perú measures the footprint of their operating sites and administrative office. Such measurement is certified by a third party



	(AENOR Certifier) and is reported annually in our integrated report.
If the Company has a platform, tool, or standard developed internally to measure total GHG emissions (*), give the name thereof, its implementation date, and, if applicable, the date on which it was last updated.	Since 2023, ENGIE Energía Perú has used the Datasquare platform. CO2 measurements, calculations, estimates and reports are recorded on this platform, which are progressively updated and reported to the ENGIE Group.

(\*) The total GHG emissions generated by a company is referred to as the corporate carbon footprint.

b. If the answer to question 3 is yes, please provide the following information corresponding to the last three (3) fiscal years:

Year	Total GHG Emissions (TM CO <sub>2</sub> e)		
	Scope 1 (*)	Scope 2 (**)	Scope 3 (***)
2021	2,060,989	8,751	700,088
2022	2,244,704.00	8,751	545,729
2023	2,820,507	6,702	825,996

(\*) Scope 1: GHG emissions that are generated directly by the company. For instance, emissions from combustion in boilers, furnaces, vehicles, etc.

(\*) Scope 2: GHG emissions generated indirectly from energy used by the company.

(\*) Scope 3: All other GHG emissions generated indirectly by the company. For instance: air travels, land travels, paper consumption, employee commute, etc.

Question 4	Yes	No	Explanation:
Does the Company have targets or goals to reduce GHG emissions?	X		<p>ENGIE Energía Perú has established as part of its sustainability objectives: (i) achieve "Net Zero Carbon" by 2045, and (ii) achieve carbon neutrality in our ways of working by 2030, via reduction and compensation of GHG emissions.</p> <p>These objectives are published in the Company's integrated report.</p>

a. If the answer to question 4 is "Yes," indicate the name of the document on which the Company's GHG emissions reduction targets or goals are based, the approval date of the targets or goals, and the first year in which they were applied:

Document name	Date of approval	First year of application
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Sustainability Strategic Document (internal) (last update July 2023)	07/26/2023	2021
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b. If the answer to question 4 is yes, please specify:

	Yes	No	Explanation:
Have said reduction targets or goals been approved by the Board of Directors?	X		The integrated reports contain our sustainability objectives, among which are the emissions reduction goals, these reports have been approved by the Board of Directors.

### Water:

Question 5	Yes	No	Explanation:
Does the Company measure its water consumption (in m3) in all of its activities?	X		ENGIE Energía Perú quantifies water in all internal energy production processes and per plant.

If the answer to question 5 is yes, please provide the following information for the last three (3) fiscal years:

Year	Total Water Consumption (m³)
2021	177,627
2022	258,542
2023	262,378

Question 6	Yes	No	Explanation:
Does the Company measure its water footprint (*)?	X		ENGIE Energía Perú measures its water footprint in all its premises.

(\*) **Water Footprint:** Indicator that defines the total volume of water used and impacts caused by the production of goods and services. Includes direct and indirect water consumption throughout the entire production process, including different stages in the supply chain ("Standards Promoting the Measurement and Voluntary Reduction of Water Footprint and Shared Value in Hydrographic Basins" - Resolution of the Head Office 023-2020-ANA, as substituted or modified from time to time).

If the answer to question 6 is yes, specify:

Water footprint measurement	Information required
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If the Company has certification, its own reports, or third-party reports containing the measurement of its water footprint, give the name thereof, its issue date, and whether it remains valid as of the close of the fiscal year.	ENGIE Energía Perú's Water Footprint has been certified by a third party that takes into consideration the water volume used directly and indirectly in the entire production process and throughout the supply chain and the impacts on the water resource as a result of our habits (AENOR certifier).
If the Company has a platform, tool, or standard developed internally to measure its water footprint, give the name thereof, its implementation date, and, if applicable, the date on which it was last updated.	ENGIE Energía Perú uses the EARTH (Environmental Advanced Reporting Tool Hub) corporate reporting platform. Measurements are recorded on this platform, which are updated and/or reported annually to the ENGIE Group.

Question 7	Yes	No	Explanation:
Does the Company have targets or goals to reduce its water consumption?	X		<p>ENGIE Energía Perú's main objective is to drive a water management model to prioritize the responsible use of this resource and to such effect, among other actions, it has developed a water reuse system according to the circular economy principal to reduce its consumption. In addition, through regular evaluations, we measure our consumption and based on these results, we implement action plans to reduce and optimize its usage.</p> <p>For the year 2023, this objective has been considered in (i) the Annual Environmental Management Plan, which regulates the commitments established in the environmental management instruments and current regulations, and (ii) in the Environmental Plan reported to the ENGIE Group. , which is aligned with the standards of the aforementioned Group.</p>

a. If the answer to question 7 is yes, please indicate the name of the document that evidences the objectives or targets to the reduce water consumption adopted by the company, date of approval and year of first application:

Document name	Date of approval	Year of first application
Environmental Plan (reported to the ENGIE Group)	12.29.2022	2023

b. If the answer to question 7 is yes, please specify:

	Yes	No	Explanation:
<i>Have such reduction objectives or targets been approved by the Board of Directors?</i>		X	The approval of these objectives has been given at the level of the Vice President of Operations and Development.

Question 8	Yes	No	Explanation:
<i>Does the Company monitor the quality of its effluent (*)?</i>	X		Pursuant to the provisions set out in the environmental regulations in force, ENGIE Energía Perú monitors the quality of its effluents from its activities, the results of such monitoring are communicated to the Agency for Environmental Assessment and Enforcement (OEFA) as part of the quarterly reports, as well as in the Annual Environmental Management Report, which may be disclosed to third parties as provided by applicable regulations.

(\*) **Effluent:** Direct discharge of wastewater into the environment, whose concentration of polluting substances must comply with the Maximum Permissible Limits (MPLs) established by Peruvian law. Wastewater is considered to include all water whose characteristics have been modified by anthropogenic activities, and which requires prior treatment and may be dumped into a natural body of water or be reused (Glossary of Terms for Peruvian Environmental Management, General Directorate of Environmental Management Policies, Standards, and Instruments, 2012, Ministry of the Environment – MINAM).

If the answer to question 8 is "Yes," indicate the name of the document with proof of effluent monitoring:

Document name
(i) Integrated Report corresponding to years 2022 and 2023.
(ii) Environmental monitoring quarterly reports, submitted to OEFA, corresponding to 2023.
(iii) Annual Environmental Management Report, submitted to OEFA, corresponding to 2023.

### Energy:

Question 9	Yes	No	Explanation:
<i>Does the Company measure its energy consumption (in kWh)?</i>	X		ENGIE Energía Perú has an operating and environmental information compilation

			platform, where energy inputs and output at each operating plant are entered.
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*In case the answer to question 9 is yes, please provide the following information corresponding to the last three (3) fiscal years:*

Fiscal Year	Total Energy Consumption (kWh)
2021	9,229
2022	10,563
2023	27,794

Question 10	Yes	No	Explanation:
Does the Company have targets or goals for the reduction of its energy consumption?		X	However, one of ENGIE Energía Perú's objectives is the efficient use of energy in our Ways of Working at our administrative offices, e.g., through the implementation of efficient lamps, usage of solar panels and green supply. In this regard, in 2022, the Lima administrative building obtained the LEED Silver certification issued by the Green Building Certification Institute (GBCI), which certifies that it is sustainable and ecofriendly.

a. If the answer to question 10 is "Yes," indicate the name of the document containing the reduction targets adopted by the Company, approval date, and the first year in which it was applied.

Document name	Date of approval	Year of first application

b. If the answer to question 10 is "Yes," please specify:

	Yes	No	Explanation:
Have said reduction targets or goals been approved by the Board of Directors?			



## Solid Waste:

Question 11	Yes	No	Explanation:
Does the Company measure the solid waste it generates (in tons)?	X		ENGIE Energía Perú develops actions to dispose of our waste in an efficient manner through the use and reuse of the resources. ENGIE Energía Perú quantifies the hazardous and nonhazardous waste in our operation sites and administrative office in Lima.

If the answer to question 11 is "Yes," please provide the following information for the last three (3) fiscal years:

Fiscal year	Hazardous solid waste (TM) (*)	Non-hazardous solid waste (TM) (**)	Total solid waste '(TM)
2021	135	276	408
2022	146	277	419
2023	221	265	486

(\*) **Hazardous solid waste:** Hazardous solid waste is considered to be that contemplated in Annex III of the Regulations of Legislative Decree No. 1278, Legislative Decree approving the Law on Integrated Solid Waste Management, approved by Supreme Decree No. 014- 2017-MINAM, or regulation that replaces or amends it.

(\*\*) **Non-hazardous solid waste:** Non-hazardous solid waste is considered to be those referred to in Annex V of the Regulations of Legislative Decree No. 1278, Legislative Decree approving the Law on Integrated Solid Waste Management, approved by Supreme Decree No. 014-2017-MINAM, or regulation that replaces or amends it.

Question 12	Yes	No	Explanation:
¿Does the Company have objectives or goals to manage (reduce, recycle or reuse) it's solid wastes?	X		ENGIE Energía Perú has established annual recycling targets for non-hazardous and hazardous waste. It should be noted that by 2023 the recycling goal is 30%. ENGIE Energía Perú complies with the requirements of current environmental regulations and the commitments assumed in the different approved environmental management instruments. The integral management of solid waste that we carry out ranges from minimization, segregation or classification, reuse, recycling, storage, collection and internal transportation to the final disposal of solid waste.

			In addition, waste disposal is carried out by a service provider that is registered and authorized in accordance with applicable regulations, thus preventing sanitary risks, protecting and promoting environmental quality, health and the well-being of people. For the year 2023, this objective has also been considered in the Environmental Plan reported to the ENGIE Group, which is aligned with the standards of the aforementioned Group.
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a. If the answer to question 12 is "Yes," indicate the name of the document containing the reduction targets adopted by the Company, approval date, and the first year in which it was applied.

Document name	Date of approval	Year of first application
Environmental objectives 2023	03.23.2023	2023

b. If the answer to question 12 is "Yes," please specify:

	Yes	No	Explanation:
Have said reduction targets or goals been approved by the Board of Directors?		X	Approved at the Executive Committee level.

## II. SOCIAL

### Stakeholders:

Question 13	Yes	No	Explanation:
Does the Company have an action plan to manage the risks and opportunities tied to its stakeholders (e.g., workers, suppliers, shareholders, investors, authorities, clients, community, etc.)?	X		The stakeholder mappings and risk and opportunity matrixes, divided by operation area, are updated on a regular basis. A survey is conducted every two years with all our stakeholders, which provides us with information of their perception and expectations, as well as emerging trends. Since the social monitoring is constant, the risks and stakeholder mapping is

			updated based on the changing social scenario
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a. If the answer to question 13 is "Yes," indicate:

	Yes	No	Explanation:
<i>Does the Company have an action plan to manage risks and opportunities regarding its stakeholders?</i>	X		Strategic action plans are prepared by each of the managements responsible for one or several stakeholders to manage the risks and opportunities with them.
<i>Does the Company have a report in which it evaluates the results of the action plan, and has such a report been made available to the Board of Directors?</i>	X		The action plans and the outputs are reported to the Executive Committee during the year. At yearend, the most relevant actions and the outputs in the Integrated Report, which are approved by the Board of Directors, are reported.
<i>Does the Company publicly report its action plan and progress with its stakeholders?</i>	X		Through the annual Integrated Reports, actions and progress with stakeholders are made public.

b. If the answer to question 13 is "Yes," indicate the name of the document containing the Company's action plan in relation to its stakeholders:

Document name
Integrated Report 2021, 2022 and 2023

Question 14	Yes	No	Explanation:
<i>During the fiscal year, did the Company have any material disputes or conflicts (*) with any of its stakeholders, including the social conflicts contained in the Social Conflict Report published by the Public Ombudsman's Office (**) and the Willaqniki Report on social conflicts issued by the Prime Minister's Office (**)?</i>		X	In 2023, no material dispute or conflict has arisen with our stakeholders.

(\*) According to the definition of the Global Reporting Initiative, material topics are those topics that reflect the organization's significant economic, environmental, and social impacts, or that substantially influence the assessments and decisions of stakeholders

(\*\*) A "social conflict" shall be understood as "a complex process in which sectors of society, the state, and enterprise view their objectives, interests, values, or needs as contradictory and such contradiction may lead to violence." Source: Social Conflict Prevention and Governability Division of the Peruvian Public Ombudsman's Office. Social Conflict Report 186 (August 2019), Lima, 2019, p. 3.

(\*\*\*) "Social conflict" is defined as the "dynamic process in which two or more social actors view their interests as generally contradictory for the exercise of a fundamental right or access to goods and services, adopting actions that may constitute a risk or threat to governability and/or public order. As a social process, it may escalate to scenarios of violence between the parties involved, requiring the articulated intervention of the state, civil society, and business sectors. Social conflicts are addressed when the demands arising therein fall under government policies and their guidelines." Source: Secretariat of Social Management and Dialogue of the Prime Minister's Office. ABCs of the Secretariat of Social Management and Dialogue. Lima, 2018, p.3.

If the answer to question 14 is "Yes," indicate the material dispute or conflict with one of its stakeholders, the status thereof, and the year in which said dispute or conflict began:

Dispute or conflict	Status or situation	Year it began

#### Question 15

	Yes	No	Explanation:
<i>Does the Company include environmental, social, and corporate governance (ESG) aspects in its criteria for the purchase and/or selection of vendors of goods and/or services?</i>	X		ENGIE Energía Perú includes environmental, social and corporate governance aspects in its supplier selection criteria. It also delivers training on these items to its supplies throughout the year.

If the answer to question 15 is "Yes," indicate the name of the document that includes ESCG aspects in the criteria for the purchase and/or selection of vendors of goods and/or services:

Document name
<ul style="list-style-type: none"> <li>• Responsible and Inclusive Purchasing Policy (published in 2023)</li> <li>• Process Charter Supplier Management Macro Process: P0500 Goods and Services Logistics</li> <li>• Environmental Compliance Guideline for Suppliers and Contractors</li> <li>• P0560 - F004 Evaluation of suppliers (Due Diligence)</li> </ul>

#### Labor Rights:

#### Question 16

	Yes	No	Explanation:
<i>Does the Company have a labor policy?</i>	X		ENGIE Energía Perú has Corporate Human Resources policies. Likewise, ENGIE Energía Perú has policies and processes that ensure the principles and rights of our employees, the freedom to collective bargaining, gender equality and creation of a mutual collaboration culture

a. If the answer to question 16 is "Yes", indicate:

Yes	No	Explanation:
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<i>Has said labor policy been approved by the Board of Directors?</i>		X	The Corporate Human Resources Policy has been approved at the level of the Vice-Presidency of Human Resources.
<i>Does the Company have a report in which the results of its labor policy are evaluated, and has said report been provided to the Board of Directors?</i>	X		The results of our labor management can be found in the annual integrated report, which is approved by the Board of Directors.

b. If the answer to question 16 is "Yes," indicate whether said labor policy includes and/or promotes, as applicable, the following matters, and specify the name of the document that records the adoption thereof, its approval date, and the first year in which it was applied:

	Yes	No	Document name	Date of approval	First year of application
<i>a. Equality and non-discrimination.</i>	X		Ethics Charter	November, 2016	2009
<i>b. Diversity.</i>	X		Diversity and inclusion policy	05/10/2022	2022
<i>c. Sexual harassment prevention (*).</i>	X		Sexual harassment prevention and sanction policy	02/13/2023	2020
<i>d. Prevention of crimes of stalking and sexual harassment (**).</i>	X		Sexual harassment prevention and sanction policy	02/13/2023	2020
<i>e. Freedom of association and right to collective bargaining.</i>	X		Human Rights Policy	2021	2014
<i>f. Eradication of forced labor.</i>	X		Ethics Charter Human Rights Policy	November, 2016 2021	2009 2014
<i>g. Eradication of child labor.</i>	X		Ethics Charter Human Rights Policy	November, 2016 2021	2009 2014

(\*) Scope of Law 27942 to be considered.

(\*\*) Scope of Articles 151-A and 176-B of the Criminal Code, respectively, to be considered.

c. Indicate the number of men and women in the organization and the percentage of the total number of employees they represent.

Employees	Number	Total percentage of employees
<b>Women</b>	108	20
<b>Men</b>	436	80
<b>Total</b>	544	100

#### Question 17

Yes	No	Explanation:
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During the fiscal year, was the Company subject to any investigations, or any corrective measures, preliminary injunctions, fines, or other punishments related to a failure to comply with labor, health and safety, forced labor, or child labor laws?		X	Not during the fiscal year
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a. If the answer to question 17 is "Yes," indicate the type of investigation, corrective measure, preliminary injunction, fine, or other punishment to which the Company was subject during the fiscal year related to a failure to comply with labor, health and safety, forced labor, or child labor laws; as well as the status or situation thereof as of the close of the fiscal year:

Investigation, corrective measure, preliminary injunction, fine or other punishment	Status or situation

b. Specify whether the Company is subject to any ongoing investigations, corrective measures, preliminary injunctions, fines, or other punishments from previous fiscal years related to a failure to comply with labor, health and safety, forced labor, or child labor laws; as well as the status or situation thereof as of the close of the fiscal year:

Investigation, corrective measure, preliminary injunction, fine or other punishment	Status or situation

Question 18	Yes	No	Explanation:
Does the Company perform an annual evaluation of its compliance with or adherence to occupational health and safety laws and standards?	X		The Occupational Health and Safety plans, policies and guidelines are planned and assessed annually to account for all possible scenarios for both women and men. Additionally, at the Board Meetings held in March, May, September and November 2023, presentations were given on the Company's results indicators and occupational health and safety indicators

Question 19

Yes	No	Explanation:
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Does the Company keep a record of workplace accidents?	X		The area in charge of keeping the record of labor accidents is the Occupational Health and Safety Management, which reports to the Vice Presidency of Operations. Additionally, at the Board Meetings, presentations were given on the Company's results indicators and occupational health and safety indicators.
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If the answer to question 19 is "Yes," provide the following information on workplace accidents (\*) involving the Company's own employees (\*\*) and those of contractors (\*\*\*) hired by the Company in the last three (3) fiscal years:

Indicator	Fiscal year	(Fiscal year - 1)	(Fiscal year - 2)
<i>Fiscal year</i>	2023	2022	2021
<i>No. of direct employees</i>	544	502	468
<i>Total Hours Worked by All Direct Employees During the Fiscal Year</i>	1,048,160	1,002,834	1,013,753
<i>No. of Minor Accidents (Direct Employees)</i>	0	1	0
<i>No. of Incapacitating Accidents (Direct Employees)</i>	0	0	1
<i>No. of Fatal Accidents (Direct Employees)</i>	0	0	0

Indicator	Fiscal year	(Fiscal year - 1)	(Fiscal year - 2)
<i>Fiscal year</i>	2023	2022	2021
<i>No. of direct employees</i>	798	1597	1092
<i>Total Hours Worked by All Direct Employees During the Fiscal Year</i>	1,352,075	3,863,512	1,726,516
<i>No. of Minor Accidents (Direct Employees)</i>	1	2	7
<i>No. of Incapacitating Accidents (Direct Employees)</i>	1	1	1
<i>No. of Fatal Accidents (Direct Employees)</i>	0	0	0

(\*) **Minor Accident:** Event causing an injury that, after being evaluated by a medical professional, results in a brief leave with return to normal duties no later than the following day.

**Disabling Accident:** Event causing an injury that, after being evaluated by a medical professional, results in a medical leave, justified absence from work, and treatment.

**Fatal Accident:** Event causing injuries that result in the employee's death.

**Source:** Glossary of Terms of the Regulations on Law 29783 - the Occupational Health and Safety Act, Supreme Decree 005-2012-TR, as substituted or amended from time to time

(\*\*) Direct employees are all those who are directly tied to the company through any form of employment contract.

(\*\*\*) Contractors' employees are all of those who perform outsourced activities.

Question 20	Yes	No	Explanation:
Does the Company measure its workplace climate?	X		ENGIE&ME is the ENGIE Group's work climate survey. In 2023, ENGIE Energía Perú had 97% employee participation and a successful result of 94% in the "Sustainable Engagement" indicator.

a. If the answer to question 20 is "Yes," indicate:

	Yes	No	Explanation:
Does the Company have targets or goals for improving its workplace climate?	X		Based on the results obtained in the annual survey, ENGIE Energía Perú establishes an improvement action plan, which includes objectives and goals.

b. If the Company has targets or goals for improving its workplace climate, indicate the name of the document in which said objectives are contained, its approval date, and the year in which it was first applied:

Document name	Date of approval	First year of application
Action plan of the ENGIE&Me survey		2018

Question 21	Yes	No	Explanation:
Does the Company have a talent management policy for its employees?	X		Our policy includes the annual evaluation of our employees in order to identify opportunities for improvement and professional growth.

a. If the answer to question 21 is "Yes," indicate the name of the document containing the talent management policy for the Company's employees:

Document name
- Performance Assessment Policy.

b. If the answer to question 21 is "Yes," please specify:

Yes	No	Explanation:

Has said talent management policy been approved by the Board of Directors?		X	The policy referred to in question 21.a. has been approved by the Vice-Presidency of Human Resources.
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Question 22	Yes	No	Explanation:
Does the Company have procedures to identify and punish sexual harassment or hostile work environments? (*)	X		ENGIE Energía Perú has a sexual harassment prevention and sanction policy. Additionally, the Internal Work Regulation of ENGIE Energía Perú includes a Harassment chapter

(\*) Consider the scope established by Law 27942 regarding sexual harassment, and Supreme Decree 003-97-TR for hostile work environments, as substituted or amended from time to time.

If the answer to question 22 is "Yes," indicate the name of the Company's document that contains the procedures to prevent sexual harassment and a hostile work environment:

Document name
Sexual harassment prevention and sanction policy.

### Human Rights:

Question 23	Yes	No	Explanation:
Does the Company have a policy or internal and external management system that includes a channel allowing complaints/ grievances to be lodged concerning impacts on human rights?	X		ENGIE Energía Perú has an Ethics Charter, which covers our 4 ethical principles, including respect of human rights where we operate. Additionally, we have a Human Rights Policy, which covers the need to respect Human Rights, our commitments on this matter and their implementation. On the other hand, ENGIE Energía Perú has a whistleblowing channel and ethical line (RESGUARDA), which can be used to report irregularities or suspected cases of breaches of the Ethics Charter.
Does the Company keep records and respond, within a pre-established term, to the results of investigations into the complaints/grievances referred to in the preceding question?	X		The company also has a whistleblowing channel, the Grievance and Claim Procedure (PQR) to manage the issues relating to Human Rights with the communities where we operate.

a. If the answer to question 23 is "Yes," indicate the name of the document containing the policy or internal and external management system adopted by the Company, its issue date, and the first year in which it was implemented:

Document name	Date of issuance	Year of implementation
Human Rights Policy	06/30/2014	2014

b. If the answer to question 23 is "Yes," indicate:

	Yes	No	Explanation:
<i>Does the Company have a report in which the results of its policy or internal and external management system are evaluated to remedy any impacts on human rights?</i>	X		An assessment of the impact of our operation on Human Rights matters is performed every year. If necessary, action plans are implemented.
<i>Does the Company have a training plan for human rights issues that includes the entire organization?</i>	X		Human Rights are part of employees' training.



### III. SUPPLEMENTARY INFORMATION

Question 24	Yes	No	Explanation:
Does the company have an international Corporate Sustainability certification?	X		<p>During 2023 ENGIE Energía Perú has obtained the following recognitions and certifications:</p> <ul style="list-style-type: none"> <li>- Ecovadis Platinum Medal with a result of 79/100, placing us, for the second consecutive year, within the 1% of the companies with the best ESG management in the energy sector worldwide.</li> <li>- Position 51 in the MERCO Ranking of companies with the best reputation.</li> <li>- The ENGIE Group is a member of the United Nations Global Compact.</li> <li>- ISO 9001, ISO 14001, ISO 45001</li> </ul>

If the answer to question 24 is "Yes," indicate the certification obtained by the Company and the URL where this can be confirmed.

International certification	URL
Certifications: ISO 9001, ISO 14001, ISO 45001 and Ecovadis (Platinum Medal) 2023.	<a href="https://engie-energia.pe/premios-y-reconocimientos">https://engie-energia.pe/premios-y-reconocimientos</a> <a href="https://engie-energia.pe/sostenibilidad-vision">https://engie-energia.pe/sostenibilidad-vision</a>

Question 25	Yes	No	Explanation:
Does the Company have a Corporate Sustainability Report other than this report?	X		Since 2020, ENGIE Energía Perú prepares its Integrated Report, which is published on the company's website, for the information of all our stakeholders.

If the answer to question 25 is "Yes," indicate the name of the document and the URL where the most recent available report can be found:

Report name	URL
Integrated Report 2022	<a href="https://engie-energia.pe/publicaciones-y-politicas">https://engie-energia.pe/publicaciones-y-politicas</a>

# ANNEX 2



# SUSTAINABILITY INDICATORS



## 1. Our operations.

### 1.1. Operational Indicators.

Table 1

INDICATOR	2019	2020	2021	2022	2023
Energy production (GWh)	6,604	6,472	6,710	7,103	8,816
Renewable energy production (GWh)	1,552	1,360	1,472	1,349.9	1,762.85
Installed capacity of electricity generation (MW)	2,496	2,496	2,496	2,496	2,733
Installed capacity of renewable energies (MW)	288	288	288	288	526
B2B client satisfaction rate	90	91.4	91.4	93.9	84.4
Sale of energy to client (TWh)	9	8	8	9	9
Contracted power at peak hour (MW)	1,857	1,874	2,031	1,943.9 <sub>1</sub>	1,767.46
Contracted power at off-peak hour (MW)	1,867.8	1,898.45	2,067	1,996.7 <sub>1</sub>	1,810.08
Length of transmission grids (km)	356.1(*)	356.1(*)	356.1	476.3	476.3

(\*) It is specified that, for the purposes of this report, the length of the transmission lines is counted per tern, so that double-terminal transmission lines are counted per 2 terns.

## 1.2. Cybersecurity Indicators.

Table 2

INDICATOR	2019	2020	2021	2022	2023
Number of Cybersecurity incidents (low/medium)	0	1	2	1	0
Number of Cybersecurity incidents (high/critical)	0	0	0	0	0
Active Directory Security (# pending activities)	0	0	0	0	0
Leaked user navigation (Zscaler)	90%	98%	100%	100%	100%
Equipment with Antivirus	100%	100%	100%	100%	100%
Upgraded servers	100%	100%	100%	100%	100%

## 1.3. Financial Indicators.

Tabla 3

INDICATOR	2019	2020	2021	2022	2023
Sales revenues	536.4	484.1	532.2	554.9	671.8
Gross profit	205.1	180.4	161.3	125.0	111.5
EBITDA	250.5	227.0	225.7	194.3	211.7
Operating income	166.5	153.0	142.4	109.2	29.6
Net profit	104.2	87.9	65.2	65.2	6.0
PP&E (Property, Plant, and Equipment)	2465.2	1719.6	1739.2	1871.5	1,784.3
Cash flow from operations	233.4	196	189.6	55.5	163.2
Net debt	537.7	484.0	532	604	583.6



## 2. Planet

### 2.1. Emissions.

#### 2.1.1. Carbon Footprint

Table 4

INDICATOR	2019	2020	2021	2022	2023
Total CO2 emissions (t CO2 eq)	2,000,498	1,992,021	2,103,848	2'799,245	3'653,206
Emissions related to purchase-sale of energy (t CO2 eq)	387,573	202,429.4	369,564.8	216,392	88,183
Emissions from the lifecycle of fuels used (t CO2 eq)	316,174.3	311,344.4	330,006.1	328,881	736,831
Emissions from corporate office (t CO2 eq)	858	272	205	836	1150

#### 2.1.2. GHG Direct emissions (Scope 1)

Table 5

INDICATOR	2019	2020	2021	2022	2023
Total direct GHG emissions (t CO2 eq)	1'604,906	1'972,770	2'060,989	2'244,704	2'820,507
Data coverage (as % of denominator)	100	100	100	100	100

#### 2.1.3. GHG Indirect emissions (Scope 2)

Table 6

INDICATOR	2019	2020	2021	2022	2023
Based on location (t CO2 eq)	8,019	8,021	8,751	8,751	6,702

#### 2.1.4. GHG Indirect emissions (Scope 3)

Table 7

INDICATOR	2019	2020	2021	2022	2023
Total indirect GHG emissions (t CO2 eq)	387,573	514,330	700,088	545,729	825,996
Purchased goods and services (t CO2 eq)	--	--	--	300,980	88,653.5
Fuel and energy related activities (not included in Scope 1 or 2) (t CO2 eq)	--	--	--	244,332	736,831
Business trips (t CO2 eq)	--	--	--	516	1003

#### 2.1.5. Other emisissions

Table 8

INDICATOR	2019	2020	2021	2022	2023
Direct nitrogen oxide emissions (NOx)	1210.8	1117.3	1104.2	1362.1	1529.3
Direct sulfur oxide emissions (SOx)	146.0	59.7	82.3	307.1	13.9

## 2.2. Energy consumption

Table 9

INDICATOR	2019	2020	2021	2022	2023
Total energy consumption (GWh)	9,853.5	9866.6	10,377.8	10,563	27,794
Total renewable energy consumption (GWh)	30,248	33,422	31,485	28,888	15,749
Total non-renewable energy consumption (GWh)	17,790	17,373	18,845	21,442	12,225
Energy consumption from the grid (GWh)	35.5	36.6	37.8	30	34.45
Primary energy consumption related to energy production (GWh)	9,818	9,830	10,340	10,533	11,188
Losses in electricity transmission (%)	2.0	2.11	2.44	0.98	1.38

## 2.3. Impact on air quality

Table 10

INDICATOR	2019	2020	2021	2022	2023
Dust particle emissions (Ton)	50.6	32.2	32.9	55.2	42.9
Sulfur hexafluoride emissions (SF6) (Ton)	0	0	0	0	1
Ash and gypsum residues (Ton)	0	0	0	0	0
Direct mercury emissions (HG) (Kg)	0.7	0.3	4.2	7.2	10.23

## 2.4. Water Footprint

Table 11

INDICATOR	2019	2020	2021	2022	2023
-----------	------	------	------	------	------

Annual water volume used in all our operation sites (m3)	137,241	141,059	177,628	258,542	262,378
Water volume taken for all our operation sites (m3)	29,388,711.28	20,237,095.60	30,756,641.94	36,498,358	8,737,970
Direct water footprint (m3) - Water consumption (services and cooling systems) (m3)	137,241	141,059	175,138	254,704	262,378
Non-consumed water for cooling in hydropower generation (m3)	9,729,500	8,906,032	9,022,750	8,923,630	4,964,589
Water consumed to generate one megawatt (m3)	21,049.0	21,645.0	26,394.0	38,158.0	30,424.5
Water consumed from the desalinization process (m3)	104,522.0	112,286.0	124,597.0	139,267.0	139,878.0
Total consumption from the desalinization process (%)	61.0	62.0	63.0	63.0	63.0
Chemical products used for water treatment (Ton)	69.9	63.1	94.5	86.6	65.9
Recycled water used for irrigation of green areas (m3)	77,707	85,479	105,702	105,636	90,140
Total net freshwater consumption in areas with water stress (Total water withdrawals - Total water discharges) (Mm3)	0.03503	0.03505	0.03538	0.03538	0.03460
Actual and total opportunity costs (e.g., revenue foregone) of water-related incidents. (Mm3)	0	0	0	0	0

## 2.5. Wastes

Table 12

INDICATOR	2019	2020	2021	2022	2023
Total waste generated and managed (Tn)	413	266	408	419	486
Total waste recycled/reused (t)	76	45	130	153	168
Total waste removed (t)	219	127	207	239	318
Waste deposited in landfills (t)	219	127	207	239	318
Waste incinerated with energy recovery (t)	0	0	0	0	0
Waste disposed of in other ways (t)	0	0	0	0	0
Waste with unknown disposal method (t)	0	0	0	0	0
Non-hazardous waste disposal (Tn)	225	170	276	277	265
Recovery rate of non-hazardous waste (%)	31%	27%	51%	57%	46%
Hazardous waste disposal (t)	188	96	135	146	221
Recovery rate of hazardous waste (%)	11%	23%	15%	19%	15%
Total hazardous waste recycled/reused (t)	28	15	35	15	33
Total hazardous waste disposed (t)	112	52	96	120	188
Hazardous waste deposited in landfills	112	52	96	120	188
Hazardous waste incinerated with recovery energy (t)	0	0	0	0	0
Hazardous waste incinerated without recovery energy (t)	0	0	0	0	0
Hazardous waste disposed of in other ways(t)	0	0	0	0	0
Hazardous waste with unknown disposal method (t)	0	0	0	0	0
Appraisal of organic waste in our operation plants used as compost.	-	-	-	100%	100%



## 2.6. Environmental regulations

Table 13

INDICATOR	2019	2020	2021	2022	2023
Compliance with Environmental Programs and Permissible Limits in Environmental Monitoring (power plants)	100%	100%	100%	100%	100%
Compliance with submission of mandatory environmental reports (%)	100	100	100	100%	100%
Compliance with environmental monitoring committed with the Government	100	100	100	100%	100%
Number of environmental incidents reportable to authorities (due to ENGIE)	0	0	0	0	0
Number of non-compliances with legal/regulatory obligations	0	0	0	0	0
Number of fines/penalties related to environmental violations	0	1 (*)	0	0	0
Amount of Accumulated Environmental Liabilities	0	0	0	0	0

(\*) Considering the criteria established in the Dow Jones Sustainability Index (>10,000 US\$) and the date of occurrence of the identified violations. It should be noted that, in November 2023, the Company has received a fine of 19.1 UIT in respect of two infringing behaviors from 2019-2020.

## 3. Personnel

### 3.1. Our talent

Table 14

INDICATOR	2019	2020	2021	2022	2023
Number of employees (inc. trainees)	503	513	535	541	586
Number of contractors' personnel	606	528	1,092	1,597	798
Total staff turnover (%)	5.40	1.85	4.98	3.70	6.99
Voluntary staff turnover (%)	2.10	0.80	1.59	3.11	3.49

New employees hired (%)	20	21	41	42	73
Vacant positions filled by internal candidates (%)	40.42	52.43	8.52	53.52	35
Unionized employees (%)	51.68	48.97	47.21	47.67	34.31
Home office (%)	0.252	43	42.57	27.43	38
Performance Assessment (%)	100	100	99%	100	100
Participation in internal survey ENGIE & Me (%)	96	98	94%	95	97
Sustainable Engagement - resultados de la encuesta interna ENGIE & Me (%)	90	92	93%	93	94
Trained workforce (%)	95	97	100	100	99
training of our personnel (hours)	14,060	4,502	2,580	7,352	10,872.9
Training hours (average per employee) *Trainees not included	26	7.85	7.06	15.4	38.99
OHS Training of employees (hours)	6134	1332	891	6,933	16,738
Training of employees on environmental standards (average hours in operation sites)	23	34	28	37	586.25
Training of employees on Compliance - Ethics and human rights - (hours)	260.5	808.5	141	1105	2557

### 3.2. Diversity, equity and inclusion

Table 15

INDICATOR	2019	2020	2021	2022	2023
Women in the organization (%)	15.5%	14%	14%	17%	22%
Women in management positions (%)	20%	15%	15%	19%	19%
Women in the Executive Committees (%)	43%	43%	40%	33%	33%
Proportion of women in junior management positions, (% of total junior management positions)	15.79%	14.29%	12.50%	18.75%	8.3%
Proportion of women in senior management positions, maximum two levels above CEO or similar (% of total senior management positions).	23%	19%	18%	19%	19%
Proportion of women in management positions in revenue-generating functions (such as sales). % Of functions (excluding support functions such as HR, IT, Legal, etc.).	11.76%	11.76%	15%	13.64%	13.64%
Proportion of women in STEM-related positions (science, technology, engineering, mathematics) (% of total STEM positions)	4.13%	4.90%	6.27%	6.22%	11.06%
Female vs. male pay ratio	-2.2%	-4.6%	-3.07%	-2.4%	-4.81%
Number of women who took maternity leave	3	2	1	1	4
Number of men who took paternity leave	18	20	10	16	9
Personnel with physical disabilities	3	3	3	3	4
Personnel with cognitive disabilities	0	0	0	0	0
Baby Boomer employees (%)	12	18	17	15.76	7.71
Generation X employees (%)	55	45	44	42.80	45.87
Generation Y employees (%)	33	36	38	38.52	46.24
Generation Z employees (%)	0	1	1	2.92	0.18

### 3.3. Occupational Health and Safety

Table 16

INDICATOR	2019	2020	2021	2022	2023
Number of hours worked per employee	986,135	970,846	1,013,753	1,002,834.01	1,048,160.32
Number of hours worked per contractor	1,342,650	1,044,773	1,726,516	3,863,512	1,352,075.39
Number of occupational incidents (workers)	10	6	10	5	14
Number of occupational incidents (contractors)	3	6	45	49	14
Number of minor accidents (workers)	2	1	0	1	0
Number of minor accidents (contractors)	1	0	7	2	1
Number of disabling accidents (workers)	0	0	0	0	0
Number of disabling accidents (contractors)	0	0	1	1	1
Number of fatal accidents (workers)	0	0	0	0	0
Number of fatal accidents (contractors)	0	0	0	0	0
Number of occupational diseases (workers)	0	0	0	0	0
Number of occupational diseases (contractors)	0	0	0	0	0
Lost-time injury frequency rate (workers)	0	0	0	0	0
Lost-time injury frequency rate (contractors)	0	0	0.74	0.76	0.74
Workers with annual medical examination (%)	100	100	100	100	94.7
OSH supplier/contractor training (total hours)	10,013	8,421	31,321	107,055	12,000

### 3.4. Our communities

Table 17

(\*) The value is equivalent to the total of local labor hired in all the operational headquarters of ENGIE Energía Perú

INDICATOR	2019	2020	2021	2022	2023
Social investment (USD)	1,300,000	1,447,000	2,300,000	1,900,000	2,340,000
Number of direct and indirect beneficiaries of social actions	38,000	46,000	150,000	150,000	82,700
Number of people hired as local labor by ENGIE Energía Perú or through its contractors	466	268	312	650 (*)	913
Purchases from local suppliers (%)	12	8	5	14	10
Compliance with established social commitments (%)	100	100	100	100	100
Social conflicts that paralyze energy generation	0	0	0	0	0
Zones of influence covered by an appropriate mechanism of dialogue and consultation with interested parties. (%)	100	100	100	100	100
Target sites with an integrated environmental management plan developed in conjunction with their stakeholders (%)	100	100	100	100	100
Concerns, Complaints and Claims addressed to communities (CCC)	16	10	13	12	19
Human rights: % of operations and projects with Due Diligence processes	100%	100%	100%	100%	100%
Human rights: Number of mitigation and remediation plans identified and executed	0	0	0	0	0



## 4. Corporate governance

Table 18

INDICATOR	2019	2020	2021	2022	2023
Number of incumbent directors	6	6	6	7	7
Participation rate in the Board of Directors (%)	91.80	97.44	97.62	92.28	95.71
Independence rate of the Board of Directors (%)	33	33	33	28.5	28.5
Gender diversity index of the Board of Directors (%)	0	0	0	43	43
Rate of foreigners on the Executive Committee (non-Peruvian nationality) (%)	57	57	50 (ene - jun) 33 (jul - dic)	33	33
Executive Committee trained in corruption issues (%)	100	100	100	100	100

## 5. Trainings

### 5.1. Detailed and executed annual training plan.

Table 19

## General mandatory courses

- *Cybersecurity is everyone's business*
- Diversity, inclusion and gender balance
- Ethics in four clicks
- Ethics at ENGIE Energía Perú-Basic guidelines
- *One safety induction*
- Ergonomics
- Solar protection
- Environmental regulation in the electricity sector

## Mandatory for management team or most exposed personnel

- *Competition law*
- *Understanding and preventing the risk of fraud & corruption*
- *Ethics & Institutional relations*
- Gifts, hospitality and technical travel
- Ad hoc training for exposed personnel

## SPECIALIZED BY TOPIC

### Safety, occupational health and environment

- Five preventive tools
- Seven environmental rules
- Healthy eating
- Explosive atmospheres and hot works
- Biodiversity and ecosystems
- Climate change
- Conserving biodiversity
- Meeting cross-cutting objectives
- Fuel spill and PCB management
- Environment Day
- Dissemination of environmental policy
- Dissemination of the EMP and seven environmental rules
- Ergonomics
- Confined spaces
- El Niño Phenomenon
- El Niño Phenomenon, current situation and possible effects
- Gestión de RR. SS. y reciclaje
- Free of single-use plastic
- Matpel spill management and emergency
- IPER Matrix
- OEFA and PAS
- *One safety induction*
- Work leave and equipment consignment
- PGA
- Environmental policy-Identification of aspects and impacts
- First aid
- Water resources
- Regulation for environmental protection in electrical activities
- *Renewables and biodiversity*

- Rescue and evacuation
- Environment results 2022
- Electrical hazard
- Mental health and work stress
- Solid waste management workshop, part I: regulations
- Solid waste management workshop part II: ENGIE procedures
- Workshop: biodiversity mural
- Work at heights
- Work at height and scaffolding
- Hot work ATM. Inflam

#### Technicians

- Analysis of oscillographs-SEL
- Basic safety training, annex 06 DS024
- Articulating crane operator training
- Crane operator certification
- Rigger Certification
- ISPS Basic Course I
- ISPS Basic Course II
- Counterbalanced Forklift Operator Course
- Specialization courses or environmental legislation SNMPE
- Courses in basic concepts and supervision of commercial diving
- IEC 61850 Fundamentals and applications
- Dangerous goods management (APN required)
- Port security management (APN required)
- GWO BST
- Approval in 4G welding according to AWS D1.1 standards.
- *Hydrogen day*
- Port Facility Security Officer (PFSO)
- Basic PBIP (APN required)
- *Power BI*
- *Power BI*: basic and intermediate
- Protection in electrical power systems and failure analysis
- Off-line electrical testing of transformers
- Risk & Contract Management for Industrial Projects
- Port security (required APN)
- Maintenance techniques for MV insulated cables in wind farms
- Thermography Level I
- TP OPIP: IP protection officer
- TTT Sezame Learning
- TTT Sezame Rewards

#### Leadership and management

- Development of leadership skills
- EWOL Route: ENGIE's leadership model
- Communication techniques for *cracks*

## 5.2. OHS training for own personnel

Table 20

Topic	Total number of hours	Number of hours per employee	Amount of investment
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Work at heights practice	864 h	3 h	S/ 15,200.00
Work leave and equipment consignment	1,152 h	4 h	S/ 16,000.00
Electrical risk practice	864 h	3 h	S/ 15,200.00
IPER Matrix	630 h	2 h	S/ 16,600.00
Confined space practice	864 h	3 h	S/ 15,200.00
Explosive atmospheres and hot work	1,152 h	4 h	S/ 16,000.00
Sun protection	495 h	1 h	As part of the medical advisory service
Hearing protection	315 h	1 h	As part of the medical advisory service
Ergonomics	495 h	1 h	As part of the medical advisory service
Update on Covid-19 preventive measures at work	495 h	1 h	As part of the medical advisory service
Mental health and psychosocial risk	495 h	1 h	As part of the medical advisory service
First aid (all personnel)	495	1 h	As part of the medical advisory service
OHS preventive tools	990	2 h	SSO Coordinator of each headquarters
Rescue and evacuation (brigade)	1,672	8 h	S/ 19,700.00
First aid (brigade)	1,672 h	4 h	As part of the medical advisory service
OSH committee functions	106 h	2 h	S/ 5,510.00
4x4 driving (social affairs personnel and Yuncan)	185 h	5 h	S/ 6,440.00
One Safety program training	1,986 h	16 h	OHS manager and coordinators
Safety talks	1,811 h	1 h	SSO Coordinator of each headquarters
<b>TOTAL</b>	<b>16,738.00 h</b>	<b>63 h</b>	<b>S/ 125,850.00</b>

# POLICIES AND PROCESSES





## MAIN POLICIES AND PROCESSES IN FORCE IN 2023<sup>+</sup>

<sup>+</sup> ENGIE Energía Perú has 132 active policies or procedures in 2022. All our policies and procedures are posted in the intranet of ENGIE Energía Perú and communicated to our stakeholders, where applicable. The main policies and procedures are listed in this annex. <sup>+</sup>

<sup>+</sup> INTEGRATED MANAGEMENT SYSTEM 9001 | ISO 14001 | ISO 45001 | ISO 27001 | <sup>+</sup>

<b>Legal Affairs and Ethics</b>	<ul style="list-style-type: none"> <li>• ENGIE ENERGÍA PERÚ's bylaws</li> <li>• Regulations of the General Shareholders' Meeting of ENGIE Energía Perú</li> <li>• Regulations of the Board of Directors of ENGIE Energía Perú</li> <li>• General Regime of Powers of Attorney of Legal Representation for ENGIE Energía Perú</li> <li>• Gift &amp; Hospitality Policy</li> <li>• Ethics Committee Operation Policy</li> <li>• Personal Data Protection Policy</li> <li>• Conflicts of Interest Prevention Policy</li> <li>• Human Rights Policy</li> <li>• Ethical Charter (published at <a href="http://www.engie-energia.pe">www.engie-energia.pe</a>)</li> <li>• Practical Guide to Ethics</li> <li>• Crime Prevention Model Manual</li> <li>• Business Consultants Policy</li> <li>• Embargo Policy</li> <li>• ENGIE Energía Perú Internal Conduct Regulations for the Stock Market</li> <li>• Legal requirement compliance identification and verification policy</li> <li>• Contract elaboration procedure</li> <li>• Counterparties Due diligence policies – ENGIE Group (LEG-031, LEG-032, LEG-037, LEG-038)</li> <li>• Reports and Reported Incidents Response Protocol</li> </ul>
<b>Electric power trading</b>	<ul style="list-style-type: none"> <li>• Manual of the electric power dispatch process</li> <li>• Manual of the electric power commercialization macroprocess</li> <li>• Client engagement process</li> <li>• <i>Process Charter</i> - Sales Process</li> <li>• <i>Process Charter</i> - Post-Sale Process</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Policy on the Use of Social Networks for ENGIE Energía Perú's Employees</li> <li>• Crisis Management Manual</li> <li>• Corporate Communication Management Procedure.</li> <li>• Crisis Management Policy (COM-008) – ENGIE Group.</li> </ul>
<b>Finance, management control, accounting</b>	<ul style="list-style-type: none"> <li>• Corporate Finance Policy</li> <li>• Insurance Policy</li> <li>• Policy on Services provided by Non-Domiciled</li> <li>• Books and Records Policy</li> <li>• Policy for Operations with Related Companies</li> <li>• Counterparty Risk Policy</li> <li>• Accounting Policy</li> <li>• Expenses Policy</li> <li>• Guarantees and Securities Policy</li> <li>• Tax policy</li> </ul>

	<ul style="list-style-type: none"> <li>• General Payment Procedure</li> <li>• Monthly and Annual Accounting Closing Procedure</li> <li>• Suppliers' Invoices and Documents Reception Procedure</li> <li>• <i>Process Charter</i> - Payments</li> <li>• <i>Process Charter</i> - Fixed Assets Management</li> <li>• Advance Payment Procedure</li> <li>• External Audit Firm Appointment Policy and External Audit Process</li> <li>• Management Control Policy</li> <li>• Petty Cash Policy</li> <li>• Corporate Credit Card Use Policy</li> </ul>
Logistics of goods and services	<ul style="list-style-type: none"> <li>• Good and Services Logistics Policy.</li> <li>• Travel Policy</li> <li>• Personnel Transportation Service Policy</li> <li>• Invoice Reception and Distribution Policy</li> <li>• Goods and services logistics policy</li> <li>• Procedure for Purchase and Sale of Natural Gas in the Secondary Natural Gas Market (MSGN)</li> <li>• Procedure for Natural Gas Purchase</li> <li>• Procedure for Service Contracts Administration at Sites</li> <li>• Procedure for Purchases from Related Companies</li> <li>• <i>Process Charter</i> Coal and Oil Purchases</li> <li>• <i>Process Charter</i> Stock Planning</li> <li>• <i>Process Charter</i> Inventory Control</li> <li>• <i>Process Charter</i> General Purchases</li> <li>• <i>Process Charter</i> Business Partner</li> <li>• <i>Process Charter</i> Purchases Development Division - BDEPC</li> <li>• Environmental Compliance Guide for Suppliers and Contractors (SSOMA Guide)</li> <li>• Procedure for suppliers' evaluation (<i>Due Diligence</i>)</li> <li>• List of critical suppliers</li> <li>• List of suppliers with high OHSEQ incidence</li> <li>• Sub-contracting Policy – ENGIE Group (PEM-009-3)</li> <li>• Supplier's Code of Conduct</li> </ul>
Operation and Maintenance	<ul style="list-style-type: none"> <li>• Operational Contingency and Emergency Response Plans</li> <li>• Action Plan for Collapses</li> <li>• Action Plan for Fires</li> <li>• Action Plan for Flooding and Mudslides</li> <li>• Action Plan for Earthquakes</li> <li>• Action Plan for Tsunamis</li> <li>• Operational Excellence Policy - Engie Energía Perú</li> <li>• Industrial Control Systems Security Policy</li> <li>• Industrial Control Systems Password Policy</li> <li>• Change Management Procedure</li> <li>• Power Transmission Lines and Substations Maintenance Service</li> <li>• Matrix of operation and maintenance service to auxiliary equipment</li> <li>• Port Services Procedure</li> <li>• Maintenance Process Procedure</li> </ul>

	<ul style="list-style-type: none"> <li>• Critical Protection Devices Procedure</li> <li>• Protection Procedure Manual (MAPROP)</li> </ul>
Continuous Improvement Control and Innovation	<ul style="list-style-type: none"> <li>• Single Point of Contact (PUC)</li> <li>• Continuous Improvement Management Procedure</li> <li>• Management Control Policy</li> <li>• Document and Record Control Procedure</li> <li>• Internal Audit Procedure</li> <li>• <i>Process Charter</i> Innovation</li> <li>• Corporate Identity Card</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• Integration and Care Activities Policy</li> <li>• Policy for the Prevention and Sanction of Sexual harassment</li> <li>• Salary Policy</li> <li>• Hybrid Work Policy</li> <li>• Diversion and Inclusion Policy</li> <li>• <i>Process Charter Internal Communication Management</i></li> <li>• Performance Assessment Procedure</li> <li>• Health Insurance Procedure</li> <li>• Training Procedure</li> <li>• Employment and Onboarding Procedure</li> <li>• Personnel Screening Procedure</li> <li>• Company Benefits Procedure</li> <li>• Salary Policy</li> <li>• Corporate Human Resources Policy</li> </ul>
Occupational Health and Safety (OHS)	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Policy</li> <li>• Internal regulations on occupational health and safety (posted on Engie-energia.pe)</li> <li>• Action Plan for Pandemic</li> <li>• OHSE Guidelines</li> <li>• Occupational Health and Safety Consequences Policy: Acknowledgement and Sanctions</li> <li>• Life Saving Rules Standard</li> <li>• Occupational Health and Safety in projects and acquisitions policy</li> <li>• Contingency plan and emergency response</li> <li>• Warehouse, storage, deposits and workshops security procedure</li> <li>• Hazard and risk identification procedure</li> <li>• Control of Work Permits</li> <li>• Reporting of Accidents, Incidents and Hazardous Events</li> <li>• Procedure to Respond in case of Seizing of Facilities or Non-Authorized Access</li> <li>• Mental Health Plan</li> <li>• Digital Management of Permits to Work in SAP Procedure</li> <li>• Contractor Management for Permits to Work in SAP Procedure</li> <li>• HAZID Matrix Preparation Procedure</li> <li>• Internal OHS regulations for companies providing services to ENGIE</li> </ul>
Sustainability, Social Affairs, Environment	<ul style="list-style-type: none"> <li>• Sustainability Policy</li> <li>• Social Affairs Policy</li> <li>• Procedure for handling and managing concerns, grievances and claims</li> <li>• Procedure for Social Investment execution</li> </ul>

	<ul style="list-style-type: none"> <li>• Environmental Policy of ENGIE Energía Perú (posted on Engie-energia.pe)</li> <li>• Risks and Opportunities Management Matrix – Environment</li> <li>• Hazardous Materials Management Plan</li> <li>• Waste Handling and Management Procedures</li> <li>• Procedure P0201 Identification and Assessment of Environmental Aspects and Impacts</li> <li>• Procedure P0213 EEP-MA-COVID19-001 Waste management and handling protocol</li> <li>• Municipal and Non-Municipal waste minimization and management Plan</li> <li>• General Health, Safety and Environment Requirements for Construction Projects (HSE-037)</li> </ul>
Information technology and communication	<ul style="list-style-type: none"> <li>• Cybersecurity Policy for Suppliers</li> <li>• Information Security Policy</li> <li>• Secure Development Principles Policy</li> <li>• Windows access procedure</li> <li>• SIC access procedure</li> <li>• SCADA access procedure</li> <li>• ISMS Asset Inventory</li> <li>• Applicability statement</li> <li>• Management System Roles and Responsibilities</li> <li>• Change Control and Approval Management Procedure</li> <li>• Procedure for the processing of personal data applied in the development of IT projects</li> <li>• Communications and Information Technology Policy</li> <li>• Assets acceptance policy</li> <li>• Warranties and support procedure - ITC Operations</li> <li>• Incidents Management Procedure - ITC Operations</li> <li>• ITC Operation Management Procedure</li> <li>• Problem Management Procedure - ITC Operations</li> <li>• Events Management Procedure - ITC Operations</li> <li>• Availability Management Procedure - ITC Operations</li> <li>• Capacity Management Procedure - ITC Operations</li> <li>• Disaster Recovery Plan - ENGIE</li> <li>• Emergency Response Management Procedure</li> <li>• Asset Management Procedure - ITC Operations</li> <li>• Third-Party Connection to Critical Applications Procedure</li> <li>• Information Security Risks Management Procedure</li> <li>• Electronic Invoicing Access Risk Management Procedure</li> </ul>



**GRI**



<b>Declaration of use</b>	ENGIE Energía Perú has presented the information cited in this GRI content index for the period from January 1 to December 31, 2023, using the GRI Standards as a reference.
<b>GRI 1 used</b>	GRI 1: Fundamentals 2021

<b>GRI STANDARD</b>	<b>CONTENT</b>	<b>LOCATION</b>
<b>FUNDAMENTALS</b>		
GRI 1: Fundamentals 2021		
<b>GENERAL CONTENT</b>		
GRI 2: General Content		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	4, 12, 13
2-2	Entities included in sustainability reporting	4, 5
2-3	Reporting period, frequency and contact point	2, 4
2-4	Information update	--
2-5	External verification	--
<b>Activities and employees</b>		
2-6	Activities, value chain and other business relationships	14, 15, 16, 18, 90
2-7	Employees	6, 18, 81, 82
2-8	Non-employee workers	--
<b>Governance</b>		
2-9	Governance structure and composition	64 - 70
2-10	Nominating and selecting the highest governance body	64 – 66
2-11	President of the highest governing body	7, 8, 64
2-12	Role of the highest governing body in supervising impact management	64 – 69
2-13	Delegation of responsibility for impact management	--
2-14	Role of the highest governance body in sustainability reporting	annexes 257
2-15	Conflicts of interest	67, annexes 271 – 276
2-16	Communication of critical concerns	62, 63
2-17	Collective knowledge of the highest governing body	--
2-18	Evaluating the highest governance body's performance	--
2-19	Remuneration policies	80, 85
2-20	Process for determining remuneration	--
2-21	Annual Total Compensation Ratio	--
<b>Strategy, policies and practices</b>		
2-22	Declaration on sustainable development strategy	7, 9, 37, 38
2-23	Commitments and policies	9, 61
2-24	Incorporation of commitments and policies	38, 39, 40 annexes 332 – 336
2-25	Processes to remedy negative impacts	42, 103
2-26	Mechanisms to request advice and raise concerns	62, 63
2-27	Compliance with laws and regulations	105, 106, annexes 322
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<b>Stakeholder engagement</b>		
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3-2	List of material issues	42, 43
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ECONOMIC PERFORMANCE		
<b>GRI 201</b>	<b>Economic performance</b>	
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201-2	Financial implications and other risks and opportunities arising from climate change	49, 50
201-3	Defined benefit plan obligations and other retirement plans	--
201-4	Financial assistance received from the government	--
<b>GRI 202</b>	<b>Market presence</b>	
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202-2	Proportion of senior executives recruited from the local community	--
<b>GRI 203</b>	<b>Indirect economic impacts</b>	
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203-2	Significant indirect economic impacts	101
<b>GRI 204</b>	<b>Sourcing practices</b>	
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205-3	Confirmed incidents of corruption and actions taken	--
<b>GRI 206</b>	<b>Unfair competition</b>	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	--
<b>GRI 207</b>	<b>Taxation</b>	
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301-2	Recycled input materials used	--
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408-1	Operations and suppliers at significant risk for incidents of child labor	--
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	--
<b>GRI 410</b>	<b>Security practices</b>	
410-1	Security personnel trained in human rights policies or procedures	--
<b>GRI 411</b>	<b>Rights of indigenous peoples</b>	
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413-2	Operations with significant actual and potential negative impacts on local communities	--
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417-2	Incidents of non-compliance concerning product and service information and labeling	--
417-3	Incidents of non-compliance concerning marketing communications	--

GRI 418	Client Privacy	
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	--





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