

Enel Distribucion Peru

ISIN CODE: PEP701011004

Overall score 40/100

Sector: Electric & Gas Utilities
Emerging Market

Companies in sector panel: 7

Information rate: 65% (Sector average: 59%)
Company cooperation level: Not responsive *

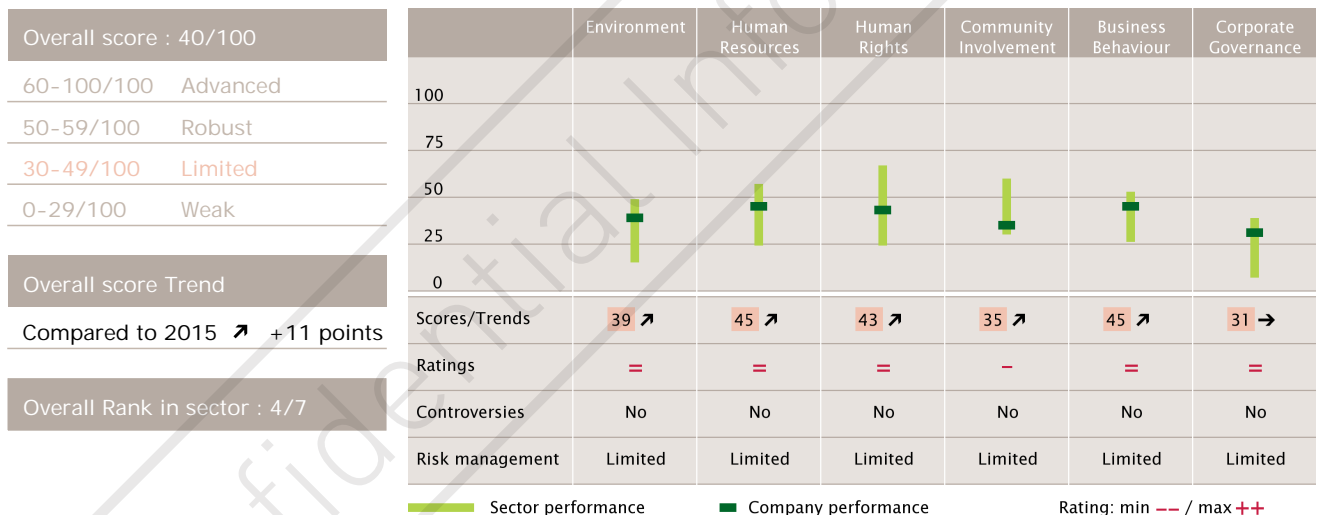
General information

Enel Distribucion Peru (Enel Distribucion), is a Company primarily involved in the distribution of electric energy. The Company owns concessions for public electricity service in the northern part of Metropolitan Lima, as well as provinces in Peru. Enel Distribucion also offers energy-related services, such as maintenance of distribution network and sale of electrical equipment. The Company was formerly known as Edelnor and changed its name to Enel Distribucion Peru in October 2016. The mother Company (Enel) is also assessed by Vigeo Eiris.

Main Economic Segment**	Turnover 2016
Energy Distribution	96.2 %
Other	3.8 %

The mother Company (Enel) is also assessed by Vigeo Eiris.

Overall CSR performance & trends



- Enel Distribucion's overall approach to managing its CSR performance has increased since the previous review (October 2015), but remains limited (40/100).
- The Company displays a homogeneous performance on ESG issues as its performance is limited on the Environment, Social and Governance pillars.
- A review of stakeholder feedback did not reveal any allegation against the Company during the period under review.

Company inclusion in Vigeo Indices*** : NO

* On a 4-level scale: proactive, responsive, partially responsive, not responsive
 ** See detailed economic indicators in Selected financial data section
 *** Based on the most recent Index at the date of publication

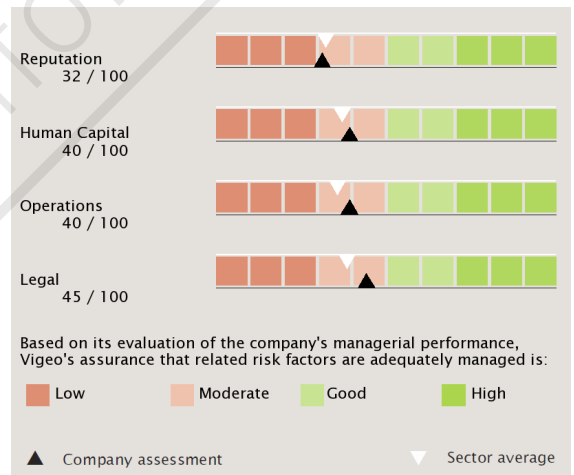
Management of Risks and Opportunities

		Weaknesses		Strengths	
Weight of the Sustainability drivers	3	<ul style="list-style-type: none"> Access to energy 	<ul style="list-style-type: none"> Anti-competitive practices Social and Economic Development Board of Directors 	<ul style="list-style-type: none"> Health and safety Corruption 	<ul style="list-style-type: none"> Career management
	2	<ul style="list-style-type: none"> Audit & Internal Controls Energy demand-side management Reorganisation Biodiversity Executive Remuneration 	<ul style="list-style-type: none"> Shareholders Fundamental human rights Non-discrimination and diversity Industrial accidents and pollution Social standards in the supply chain 	<ul style="list-style-type: none"> Customer relations 	<ul style="list-style-type: none"> Environmental strategy
	1	<ul style="list-style-type: none"> Social Dialogue GHG emissions from T&D 	<ul style="list-style-type: none"> Fundamental labour rights Responsible Lobbying 		
		Weak 0 to 29 points	Limited 30 to 49 points	Robust 50 to 59 points	Advanced 60 to 100 points

- Management of Environmental issues stands as a weakness for the Company, though advanced **Environmental Strategy** appears to be in place. Even if Enel Distribucion's ISO14001 certified environmental management system covers all its operations, the Company displays weak to limited performances in the other critical environmental issues, such as the protection of biodiversity, the prevention and control of industrial accidents and pollution, and energy demand-side management. Failing to manage the overall environmental impacts related to air emissions and accidental pollution may lead the Company to face fines and environmental penalties, or lose its licence to operate.

- A well-functioning governance system is critical in maintaining the operational efficiency of a company. Enel Distribucion's performance on **Corporate Governance** issues is weak to limited, due to low transparency on such topics as, functioning of the Board and its committees' composition, internal controls and executive remuneration. More specifically, Enel Distribucion does not report any information on rules guiding executive remuneration and information disclosed regarding its internal control system is insufficient. This composition does not offer high level of assurance that corporate management is independently and effectively monitored.

- On a positive note, Enel Distribucion provides Vigeo Eiris with a good assurance regarding its ability to mitigate human capital risks associated with **health and safety** conditions in its workplace. The Company has made a formalised commitment to health and safety issues, which covers both its employees and subcontractors. Moreover, Health and Safety Committees are in charge of this commitment. In addition, Enel Distribucion has in place an OHSAS 18001 certified health and safety system that covers all its activities in addition to means to address stress at work such as dedicated training to employees and initiatives to identify and assess stress risk factors in the workplace. Still, room for improvement remains as overall H&S KPIs do not show positive trends during the past three years.




* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

Company performance in all the Sustainability Drivers

Weight of the Sustainability driver		Overall score 40/100		Trend	Score
		Environment		↗	39
ENV1.1	2	Environmental strategy		↗	86
ENV1.2	2	Industrial accidents and pollution		↗	37
ENV1.3	3	Renewable energy			N/R
ENV1.4	2	Biodiversity		→	22
ENV2.2	1	GHG emissions from T&D		↗	13
ENV2.4	3	Air emissions from combustion power plants			N/R
ENV3.1	2	Energy demand-side management			24
		Human resources		↗	45
HRS1.1	1	Social Dialogue			18
HRS2.3	2	Reorganisation		→	22
HRS2.4	3	Career management		↗	61
HRS3.2	3	Health and safety		↗	52
		Human rights		↗	43
HRT1.1	2	Fundamental human rights		↗	44
HRT2.1	1	Fundamental labour rights		↗	46
HRT2.4	2	Non-discrimination and diversity		↗	41
		Community involvement		↗	35
CIN1.1	3	Social and Economic Development		↗	42
CIN2.1	3	Access to energy		→	27
		Business behaviour (c&s)		↗	45
C&S1.3	2	Customer relations		↗	52
C&S2.4	2	Social standards in the supply chain		↗	36
C&S3.1	3	Corruption		↗	50
C&S3.2	3	Anti-competitive practices		↗	47
C&S3.3	1	Responsible Lobbying		↗	33
		Corporate governance		→	31
CGV1.1	3	Board of Directors		↘	42
CGV2.1	2	Audit & Internal Controls		↘	25
CGV3.1	2	Shareholders		→	44
CGV4.1	2	Executive Remuneration		↗	7

Weak (0-29/100) Limited (30-49/100) Robust (50-59/100) Advanced (60-100/100)

 Involvement in allegations  Involvement in allegations with evidence of corrective measures

N/R means that this Sustainability Driver is not analysed for this Company

Selected financial data

Key data	Turnover	EBIT	Employees
2016	PEN 2,901m	PEN 473 m	620
2015	PEN 2,716m	PEN 445 m	619
2014	PEN 2,367m	PEN 403 m	619
2013	PEN 2,235m	PEN 375 m	616
2012	PEN 2,096m	PEN 317 m	607
Main shareholders			2016
Inversiones Distrilima S.A.C.			51.7 %
Enel Américas S.A.			24 %
AFP INTEGRAL S.A.			7.4 %
CREDICORP LTDA			6.8 %
Other			10.1 %
Geographical breakdown		Turnover 2016	Employees 2016
Peru		100 %	100 %
All Economic Segments			Turnover 2016
Energy Distribution			96.2 %
Other			3.8 %

Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	No	No
Executive remuneration linked to CSR performance	No	No
Ratio of payments to employees vs. shareholders (3-year trend)	N/A	N/A
Percentage of independent Board members	38	38
Percentage of women on Board	0	0
Percentage of women in Executive team	29	29
Percentage of women in workforce	31	32
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	N/A
3 year trend for safety at work	↗	↗
Involvement in armament	No	No
Transparency on payment of tax	Partial	N/A
Management of social risks in supply chain	Limited	Weak
Carbon factor (3-year trend)	N/A	N/A

Involvement in disputable activities: summary

This section is dedicated to disputable activities in which the company is involved. 9 disputable activities are analyzed (see list below) following 30 parameters. Additional analysis and full database access are available as an option.

For more information please contact us at customer.service@vigeo.com

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

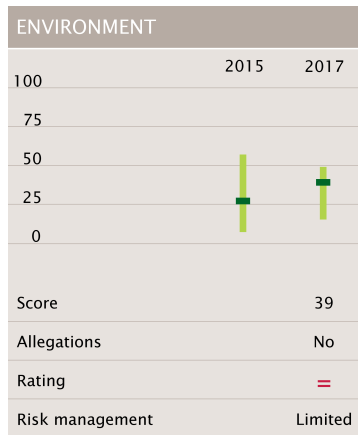
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company

Confidential Information

CSR performance per domain

■ Sector performance
■ Company performance
Rating: min -- / max ++

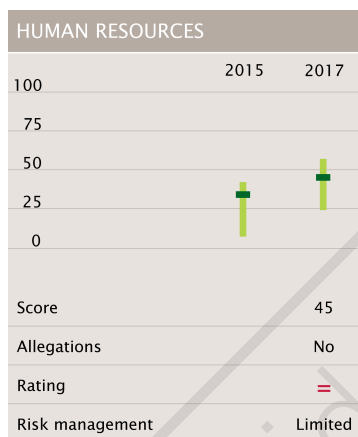


Key issues

Electricity and Gas Transmission & Distribution companies have their responsibilities in tackling climate change and protecting the environment. Companies are expected to increase their efforts to improve the efficiency of their networks as well as mitigate fugitive air emissions. In addition, the operation of such linear infrastructures (pipelines, high-voltage lines, etc.) adds responsibility for the company to protect biodiversity through the entire lifecycle of its activities. Finally, companies with end customers are expected to promote energy efficiency measures for their customers, therefore ensuring energy savings that will contribute to the fight against climate change.

Company performance

- Enel Distribucion's Environmental performance improved and is now limited.
- The Company's environmental policy appears to cover all the issues at stake, and 100% of its sites are ISO 14001 certified. Nevertheless, no information is available on resources allocated to pollution prevention and control, biodiversity protection, and GHG emissions reduction from transmission and distribution activities. The mother Company (Enel) has set an objective of over 30 million smart meters to be installed between the period 2015-2019. Yet, the Company does not disclose data on energy saved by customers.
- Overall, the Company ranks in line with the sector average.

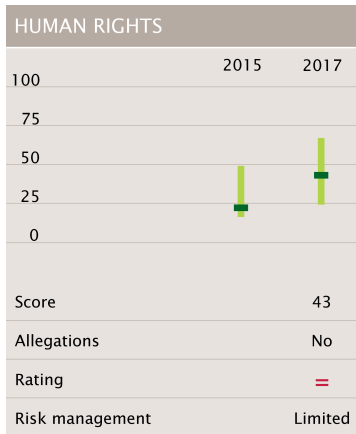


Key issues

Safeguarding the safety and health of employees and contractors remains a key risk factor in the sector. Similarly, anticipating the ageing workforce and retirement of highly skilled workers through the development of career management and promotion of employability represents a major sector challenge. Anticipating and managing reorganisations represent a key challenge, notably following phase-out and optimisation operations after the Fukushima incident. Implementing and maintaining sound systems to guarantee social dialogue is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations.

Company performance

- Enel Distribucion's Human Resources performance improved but remains limited.
- The Company's Code of Ethics addresses the topics of labour relations, career management and health and safety. Yet, the topic of responsible reorganisations remains unaddressed. The mother Company (Enel) has established a representative consultative body covering the whole company. Also, employees have an internal job opportunity marketplace, but it remains unclear if they benefit from individualised performance interviews. In terms of Health and Safety, Enel Distribucion has allocated some means, such as risks assessments, internal H&S audits and OHSAS 18001 certification. Nevertheless, severity rate of employees have deteriorated between 2014 and 2016.
- Overall, the Company ranks in line with the sector average.

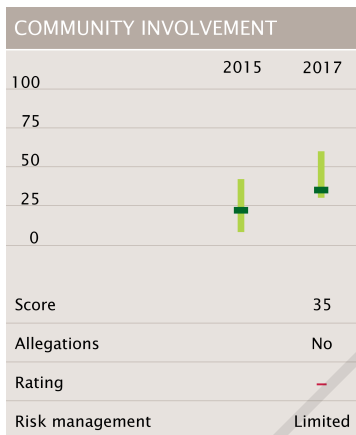


Key issues

Companies with operations in weak governance zones and which are involved in large-hydro projects, mining activities, or gas exploration, tend to be more exposed than others to violations of stakeholders' fundamental human rights. Electric & Gas Utilities are expected to also have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining. Finally, the industry remaining largely male dominated, discrimination need to be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents.

Company performance

- Enel Distribucion's Human Right performance improved and is now limited.
- The Company commits to respect labour rights and supports ILO conventions. In addition, internal audits are conducted as part of corporate due diligence processes. Moreover, human rights impact assessments are conducted throughout its activities in Latin America. In terms of non-discrimination, no further measures besides monitoring and confidential reporting systems appear to be in place. The share of women in management positions has increased between 2014 and 2016.
- Overall, the Company ranks in line with the sector average.



Key issues

Electricity and gas transmission companies' main responsibilities in the Community Involvement domain is promoting access to energy in developing countries through collaborative projects with relevant stakeholders, and capacity building. In their regions of operations, electricity and gas transmission companies should deal with the disruptive impacts of their operations through the evaluation and monitoring and promote the local social and economic, through social programmes and the reinforcement of the local content of operations. Finally, it is fundamental that distribution companies implement relevant measures for poor households to avoid disconnections through initiatives that may include raising awareness on energy consumption and energy efficiency among their customers.

Company performance

- Enel Distribucion's Community Involvement performance improved and is now limited.
- The Company's Code of Ethics covers the promotion of local social and economic development, which is supported by social and infrastructure development programmes. Yet, no indicators are provided to assess the efficiency of the measures in place. Enel Distribucion, along with its mother company, have set targets to guarantee access to energy for 3 million people in developing countries by 2020. Rural electrification projects appear to be in place to support this target. However, the Company's reporting does not appear to address fuel poverty.
- Overall, the Company ranks below the sector average.

BUSINESS BEHAVIOUR		
	2015	2017
100		
75		
50		
25		
0		
Score		45
Allegations		No
Rating		=
Risk management		Limited

Key issues

Electric & Gas Utilities and Transmission companies operate in regulated markets where risks and opportunities are shaped by fiscal and regulatory frameworks and reforms. Thus, they are frequently involved in the political processes and government relations, highlighting the importance of prevention of corruption and of conflicts of interest. With the increasing competition, companies may be tempted to violate competition rules. Companies with end-use customers need to maintain transparent and responsible customer relations to improve customer satisfaction and their attractiveness in the market. Finally, as sector companies rely extensively on suppliers for coal, natural gas and uranium, social and human rights factors in the supply chain are of major importance.

Company performance

- Enel Distribucion's Business Behaviour performance improved and is now limited.
- The Company committed to all the issues under review, and appears to have set reporting systems to monitor compliance, as well as internal audits in terms of its commitments to prevent corruption and anti-competitive practices. However, quantitative data on related incidents are not disclosed. The Company's service continuity has increased. Also, social issues are integrated into contractual clauses. However, no suppliers' audits appear to be conducted. Despite its commitment to lobbying, no internal audits or monitoring of lobbying budget is evidenced and no training for employees appears to be provided.
- Overall, the Company ranks in line with the sector average.

CORPORATE GOVERNANCE		
	2015	2017
100		
75		
50		
25		
0		
Score		31
Allegations		No
Rating		=
Risk management		Limited

Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics. The audit and internal controls system is examined regarding the efficiency and reach of its risk management. Shareholders are expected to have fair voting rights and access to all relevant information on emerging ESG risks. Executive remuneration is assessed for transparency and alignment with balanced stakeholder interests.

Company performance

- Enel Distribucion's Corporate Governance performance remains limited.
- More than a third of the Board is considered independent and there are no specific committees in charge of nomination, remuneration or audit. CSR issues do not appear to be reviewed or managed at Board level. Shareholders exercise one vote per share, however election of board members in separate resolutions are not voted upon at AGMs. Lastly, limited transparency is displayed with regard to executive remuneration.
- Overall, the Company ranks in line with the sector average.

Detailed analysis

Environment		11
ENV1.1	Environmental strategy	11
ENV1.2	Pollution prevention and control (soil, accident, industrial safety, nuclear)	11
ENV1.3	Development of renewable energy	12
ENV1.4	Protection of biodiversity	12
ENV2.2	Management of energy consumption and GHG from Transmission & Distribution activities	13
ENV2.4	Management of energy consumption and air emissions from fossil-based Generation activities	14
ENV3.1	Energy demand-side management	15
Human Resources		16
HRS1.1	Promotion of labour relations	16
HRS2.3	Responsible management of reorganisations	17
HRS2.4	Career management and promotion of employability	18
HRS3.2	Improvement of health and safety conditions	19
Human Rights		21
HRT1.1	Respect for human rights standards and prevention of violations	21
HRT2.1	Respect for freedom of association and the right to collective bargaining	22
HRT2.4	Non-discrimination	23
Community Involvement		25
CIN1.1	Promotion of the local social and economic development	25
CIN2.1	Promotion of access to energy and prevention of fuel poverty	26
Business Behaviour (C&S)		28
C&S1.3	Responsible Customer Relations	28
C&S2.4	Integration of social factors in the supply chain	29
C&S3.1	Prevention of corruption	31
C&S3.2	Prevention of anti-competitive practices	32
C&S3.3	Transparency and integrity of influence strategies and practices	34
Corporate Governance		36
CGV1.1	Board of Directors	36

CGV2.1	Audit & Internal Controls	37
CGV3.1	Shareholders	38
CGV4.1	Executive Remuneration	39

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

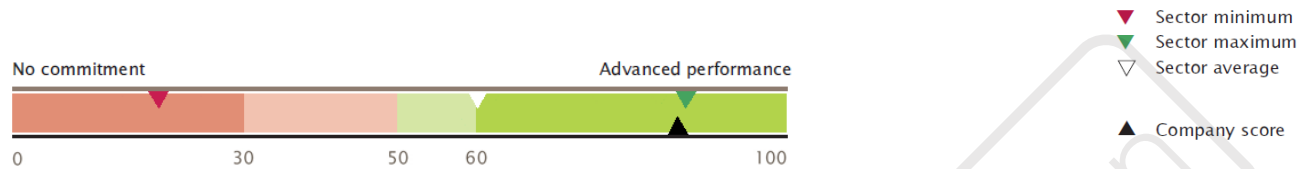
Confidential Information

Environment

Score : 39

ENV1.1 Environmental strategy

(score: 86, weight: 2)



Visibility of commitment to environmental issues

The company has issued formalised commitments to environmental protection in its Environmental Policy and its Code of Ethics. Besides, Enel Group has issued a formalised commitment to environmental protection in its Biodiversity Policy.

Relevance of environmental strategy

The company commits to all its responsibilities in terms of environmental protection:
 - Protection of biodiversity
 - Pollution prevention and control (soil, accident)

Relevance of climate change strategy

The company commits to all its responsibilities in terms of climate change:
 - Management of energy consumption and GHG emissions from Transmission & Distribution activities
 - Energy demand-side management and promotion of customers' energy savings

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue.
 In the business units and service Functions of Enel Group, there are responsible structures and figures at various levels. In particular, the corporate Functions coordinate the management of the respective environmental issues, and the operating units manage specific aspects affecting industrial sites. In addition, periodic mapping is done of the main environmental issues and the related control systems.

Means allocated to environmental management

The company (ISO 14001 certified) has allocated significant resources to environmental management:
 - Environmental manual specifying procedures and responsibilities
 - Internal audits that assess the effectiveness of the EMS.

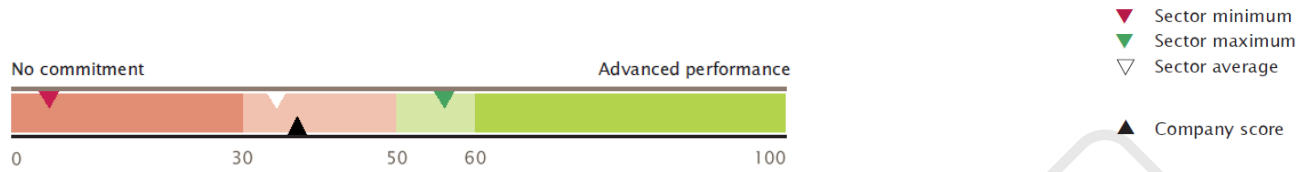
Coverage of certified environmental management systems

More than 75% of the company's sites/offices have a certified environmental management system.
 100% of the company's sites have an ISO 14001 certified environmental management system.

Leadership	86	Implementation	86	Results	N/A
Visibility	65	Means & resources	65	Performance	N/A
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	100		

ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)

(score: 37, weight: 2)



Relevance of commitments on pollution prevention and control

The company's commitments take into account accidental pollution prevention during its operations.

Means allocated to pollution prevention and control

No information is available on resources allocated to pollution prevention and control, however the company has ISO14001 certified sites.

- risk assessment/ identification studies
- training (including contractors)
- pollution control audits
- implementation of risk prevention procedures (emergency plans, simulation exercises)

The company has ISO 14001 certified sites and external experts are involved annually.

Coverage

100% of company's sites are certified ISO 14001.

Existence of accidental pollution

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Rehabilitation of polluted soil

Information obtained from company and public sources regarding the rehabilitation of polluted soil is insufficient.

Leadership	30	Implementation	44	Results	37
Visibility	N/A	Means & resources	30	Performance	N/R
Relevance	30	Scope	N/A	Trends	37
Ownership	N/A	Coverage	65		

ENV1.3 Development of renewable energy

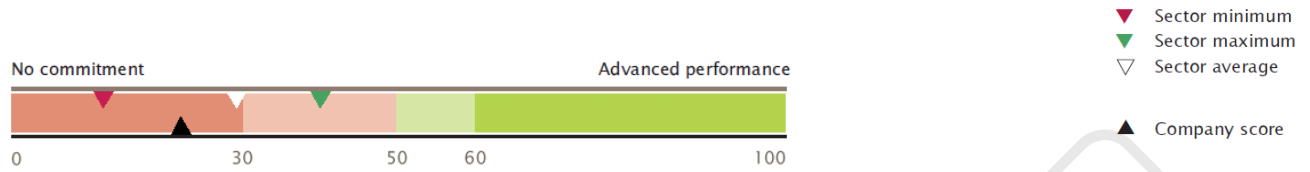
(deactivated)

Enel Distribucion is not involved in electricity or heat generation, therefore this sustainability driver is deactivated.

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

ENV1.4 Protection of biodiversity

(score: 22, weight: 2)



Relevance of the commitment

Enel Group's policy on biodiversity aims at contributing to the implementation of the UN Convention on Biological Diversity, the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity targets.

Managerial tools allocated to integrate biodiversity in the management of operations

Information obtained from company and public sources regarding steps taken to identify the impacts of its operations on biodiversity is insufficient.

Local measures taken to protect biodiversity on operation sites

Information obtained from company and public sources regarding the means allocated to limit the impact of its operations on biodiversity is insufficient.

Coverage of local measures allocated to protect biodiversity on operation sites

Results with regard to biodiversity protection

The company does not report indicators on biodiversity.

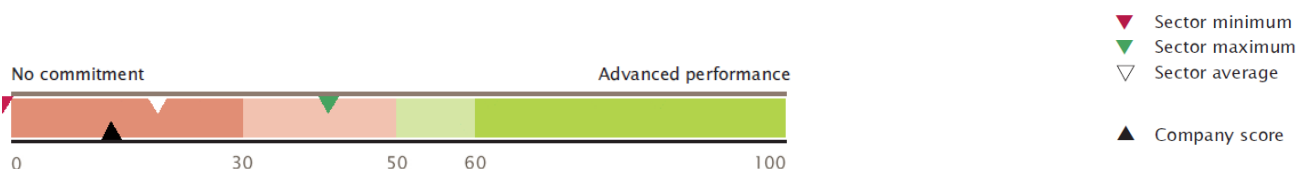
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	30	Implementation	0	Results	35
Visibility	N/A	Means & resources	0	Performance	65
Relevance	30	Scope	N/A	Trends	0
Ownership	N/A	Coverage	0		

ENV2.2 Management of energy consumption and GHG from Transmission & Distribution activities

(score: 13, weight: 1)



Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Relevance of the company's commitment in terms of improving its network energy efficiency

The company's commitment to improve its network energy efficiency is general.

Relevance of the company's commitment on GHG emissions related to Transmission & Distribution activities

The company's commitment to reduce its Greenhouse Gas (GHG) emissions related to Transmission & Distribution activities is general.

Means allocated to improve energy efficiency and reduce GHG emissions from Transmission and Distribution activities

Information obtained from company and public sources regarding means allocated to improving its network energy efficiency and related GHG emissions is insufficient.

Coverage

Energy consumption of the gas T&D network

The company does not disclose quantitative data on energy consumption of the gas T&D network.

Greenhouse Gas emissions linked to electric T&D activities

The company does not disclose quantitative data on GHG emissions related to the company's electricity T&D activities.

Greenhouse Gas emissions linked to gas T&D activities

The company does not disclose quantitative data on GHG emissions related to the company's gas Transmission & Distribution activities.

Energy losses along the company's electricity network

The company's energy losses along its electricity T&D network, normalised to network length, have remained stable at 0.0180 (GWh / km) between 2014 and 2016.

Leadership	30	Implementation	0	Results	8
Visibility	N/A	Means & resources	0	Performance	8
Relevance	30	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	0		

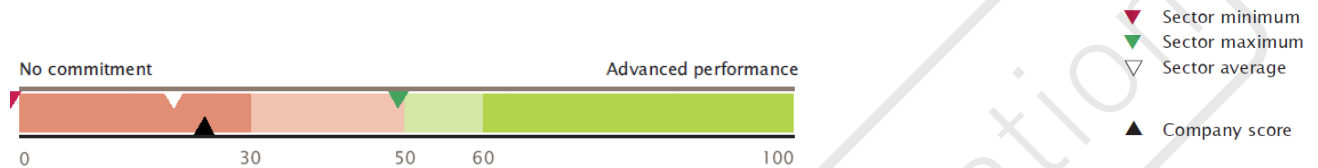
ENV2.4 Management of energy consumption and air emissions from fossil-based Generation activities

(deactivated)

Enel Distribucion does not operate thermal generation facilities. Therefore this sustainability driver is deactivated.

ENV3.1 Energy demand-side management

(score: 24, weight: 2)



Relevance of commitment related to Energy demand-side management

The company's commitment to Energy demand-side management is general. *Enel Group has set an objective of over 30 million smart meters to be installed or re-installed between the period 2015-2019.*

Means dedicated to Energy demand-side management programmes

- The company has allocated limited means to address Energy demand-side management:
- awareness raising activities on energy efficiency (campaigns, leaflets, energy tips)
 - promotion of energy-efficient appliances (boilers, heating systems, heat pumps, insulation, compact fluorescent light bulbs)
 - consumption monitoring (*diagnostics of energy installations, load curve advice, energy counselling/audit*)
 - tailor-made rates according to consumption patterns (*day/night*)
 - energy service contracts (*the energy supplier commits to reduce its customer's energy consumption*)
 - training of sales staff
 - smart metering
 - new tariffs and better billing
 - promotion of renewable energy
 - *promotion of energy-efficient appliances (LED) : the company signed an agreement with the Municipality of La Punta, to install 79 luminaires with state-of-the-art LED technology.*
 - *smart metering: the company reports the use of smart metering as part of its efforts towards implementing a smart grid.*
 - *awareness raising activities on energy efficiency (campaigns, leaflets, energy tips): the company reports to hold conferences to the general public and to its customers on energy use and saving tips.*

Scope of means dedicated to Energy demand-side management

- Energy demand-side management programmes cover only some types of customers:
- Households
 - Local authorities / municipalities
 - Industrial clients
 - Small businesses

Coverage of measures allocated to Energy demand-side management

There is no evidence that the Company has taken these measures on a major share of its operations.

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Outcomes of Energy demand-side management measures

The company does not disclose data on energy saved by customers and/or on the number of Energy demand-side management measures.

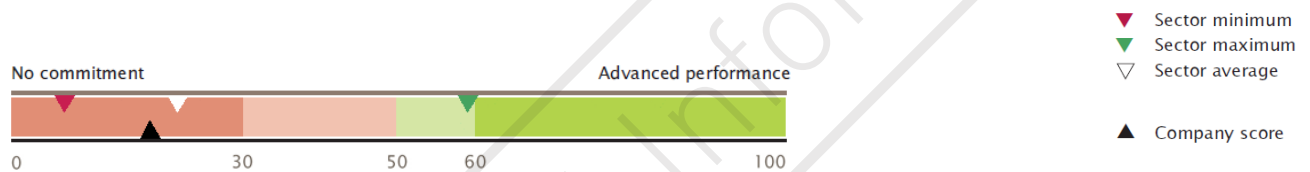
Leadership	30	Implementation	41	Results	0
Visibility	N/A	Means & resources	30	Performance	N/A
Relevance	30	Scope	30	Trends	0
Ownership	N/A	Coverage	65		

Human Resources

Score : 45

HRS1.1 Promotion of labour relations

(score: 18, weight: 1)



Visibility of commitment on the promotion of labour relations

The company has issued a formalised commitment to promote labour relations in its: *Code of Ethics.*

Relevance of commitment on the promotion of labour relations

The company's commitment to promote labour relations is general.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Coverage of employee representative bodies

The company has established a European Works Council or another representative consultative body covering the whole company. *The mother company (Enel) has established a representative consultative body covering the whole company.*

Subjects covered by collective bargaining

Information obtained from the company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities
- CSR issues

Employee representative bodies in countries with restrictive legislation

Information obtained from the company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

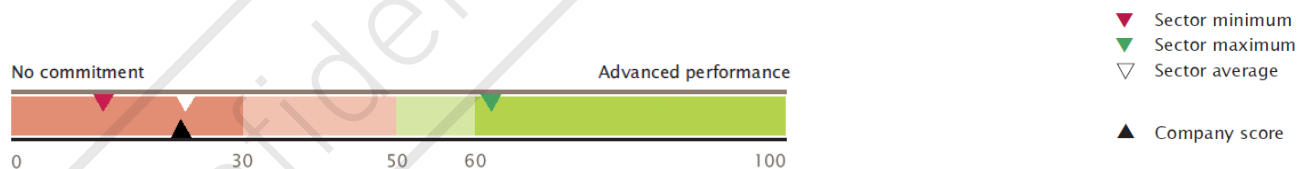
Coverage of collective agreements on working conditions

Information obtained from the company and public sources, regarding the percentage of the company's employees covered by collective agreements on working conditions, is insufficient.

Leadership	37	Implementation	18	Results	0
Visibility	65	Means & resources	0	Performance	0
Relevance	30	Scope	0	Trends	N/A
Ownership	30	Coverage	30		

HRS2.3 Responsible management of reorganisations

(score: 22, weight: 2)



Enel Distribucion Peru does not report any information about employees layoffs that occurred during the period under review, and no information was found in the media about any restructurings carried out by the Company.

Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.

Relevance of commitment to involve employee representatives in the process

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations

Information obtained from company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

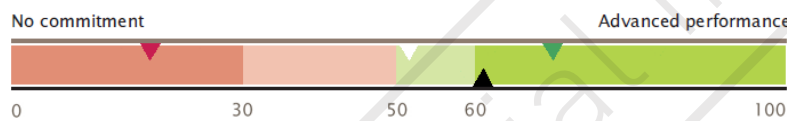
Result of the company's commitment to manage reorganisations responsibly

The information on reorganisations recently conducted by the company is insufficient, but its workforce has increased since 2014.

Leadership	0	Implementation	0	Results	65
Visibility	N/A	Means & resources	0	Performance	65
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

HRS2.4 Career management and promotion of employability

(score: 61, weight: 3)



Visibility of commitment

Enel Group has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its Code of Ethics.

Relevance of commitment

- The company's commitment to promoting career management and training addresses its main responsibilities:
- Anticipate short and long-term employment needs and skill requirements
 - Adapt employees' skill sets to their career paths
 - Enable the progressive improvement in employees' qualification levels
 - Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

The Head of HR, Rocío Pachas Soto, is part of the company's Executive Committee. Moreover, Enel Group has informed Vigeo Eiris that all Line and Staff managers are evaluated not only considering a quantitative performance results but also in view of management skills.

Career management systems

The company has set up an internal job opportunity marketplace.

Coverage of career management systems

There is no evidence that the company has gone beyond the formalisation of the skill requirements for the various job positions.

Types of training provided to non-managers

The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

Means allocated to training for all employees

The number of training hours per employee decreased by 10% between 2014 and 2016. It stood at 28.71 hours per employee in 2016.

Mobility / turnover

The company's employee turnover rates decreased continuously by 2.96 percentage points between 2014 and 2016. It stood at 9.80% in 2016.

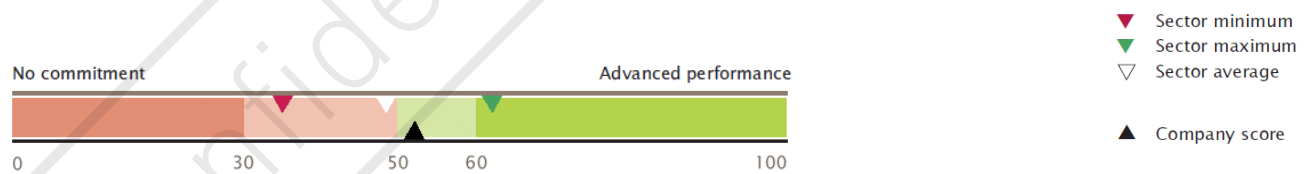
Training delivered during the year under review

During 2016, 100% of the total workforce received training.

Leadership	83	Implementation	15	Results	86
Visibility	100	Means & resources	15	Performance	86
Relevance	65	Scope	30	Trends	N/A
Ownership	100	Coverage	0		

HRS3.2 Improvement of health and safety conditions

(score: 52, weight: 3)



Visibility of health & safety commitments

The mother company (Enel) has made a formalised commitment to health and safety issues, which covers both its own employees and sub-contracted workforce, in its Code of Ethics and Human Rights policy.

Relevance of commitment on the improvement of health and safety conditions

The company's commitment only addresses part of its responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- reduce the number of driving accidents
- reduce stress/promote well-being
- prevent occupational disease

Ownership of commitment The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level. *Health and Safety Committees are in charge of this commitment.*

Means allocated to health and safety The company has allocated means to address these issues, including a certified health and safety system:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions*
- remuneration based on H&S performance*
- OHSAS 18001 certifications
 - *training: the company has conducted courses related security and health issues to its employees and contractors.*
 - *OHSAS 18001 certifications: the company's operations have a health management and security system under the OHSAS 18001 standard.*
 - *internal monitoring: the company monitors its incident rate as well as contractors'. In addition, fatality rates are publicly disclosed.*
 - *risk assessments: the company conducts a review and update of risk identification and assessment for each plant.*
 - *internal H&S audits: the H&S programme includes inspections and oversight of activities.*

Coverage of health and safety system *The company's integral management plan, which covers all employees, is OHSAS 18001 certified. In addition, audits to main suppliers are conducted and training reportedly covers 100% of employees.*

Means allocated to reduce stress at work The company has allocated extensive means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease*
- assessment of stress through analysis of internal H&S data*
- monitoring of stress through opinion surveys*
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)*
- training on stress for employees
- training on stress for managers*
- measures to improve ergonomics/ ergonomic design of workplaces*
- job redesign (work organisation)*
 - *awareness raising for employees: the company has conducted workshops to manage labour stress. Also, the company has implemented an annual healthy plan, in which its employees benefit from stress prevention through active breaks.*
 - *identification of stress sources: the company's stress control programme covers the assessment of stress risk factors in the workplace. Monitoring of ergonomics is conducted through regular assessments.*
 - *training on stress for employees: the company has conducted courses in stress management.*

Coverage of means allocated to reduce stress at work *There is no evidence that these preventive measures allocated to address stress at work cover the majority of the company's employees.*

Accident frequency rate *The company's accident frequency rate remained stable between 2014 and 2016 at 0.3120 accidents per 200,000 hours worked in 2016.*

Accident severity rate *The company's accident severity rate has increased by 167% between 2014 and 2016. It stood at 0.0048 lost time days per 200,000 hours worked in 2016.*

Occupational diseases *The company does not disclose quantitative data on absenteeism and/or occupational disease rates.*

Accident frequency rate at contractors' *The company's contractors accident frequency rate has increased by 15% between 2014 and 2016. It stood at 0.2420 accidents per 200,000 hours worked in 2016.*

Accident severity rate at contractors' *The company's contractors severity rate decreased but not continuously by 12% between 2004 and 2016. It stood at 0.0030 lost time days per 200,000 hours worked in 2016.*

Absenteeism and/or Occupational diseases at contractors' *The company does not disclose quantitative data on its subcontracted labour absenteeism and/or occupational disease rates.*

Stakeholders' feedback *A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral*

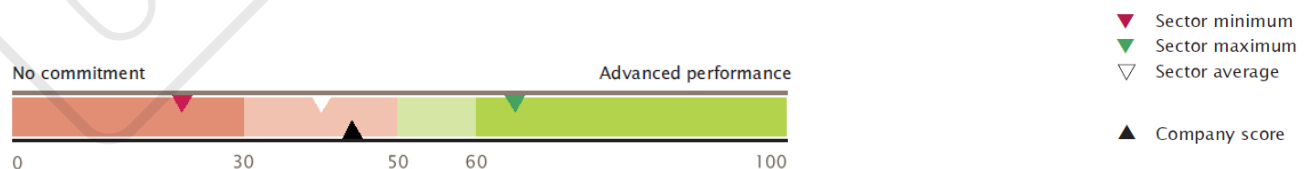
Leadership	67	Implementation	65	Results	24
Visibility	65	Means & resources	82	Performance	24
Relevance	30	Scope	N/A	Trends	N/A
Ownership	100	Coverage	48		

Human Rights

Score : 43

HRT1.1 Respect for human rights standards and prevention of violations

(score: 44, weight: 2)



The company operates in Peru, which is rated as "free" in terms of political rights and civil liberties by Freedom House.

Visibility of commitment on the respect for human rights standards and the prevention of violations

The mother company (Enel) has issued a formalised commitment to respect and promote human rights in society in its Human Rights Policy.

Relevance of commitment on the respect for human rights standards and the prevention of violations

The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:

- respect the right to privacy
- respect the right to personal security
- respect property rights
- prevent cruel, inhuman, or degrading treatment
- respect freedom of expression
- prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to the commitment on the respect for human rights standards and the prevention of violations

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:

- awareness-raising programmes for employees
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- consult local independent and representative stakeholders
- facilitate free, prior and informed consent (FPIC)
- human rights capacity building for local communities
- external audits/verification
- external investigation of allegations
- resources dedicated to relocating population

- Human rights impact assessments: As part of the due diligence on human rights, Enel Group started the risk assessment process to identify the main human rights risks which the company may run in carrying out its activities. Moreover, the company is currently developing a methodology for integrating social criteria on the management of relevant projects in Latin America that will apply to all project stages, and tailored to each type of installation or technology. There are specific provisions regarding human rights due diligence procedures and human rights.

Coverage

There is no evidence that the company has set up such systems in all of its operations facing the highest risks in terms of human rights abuses.

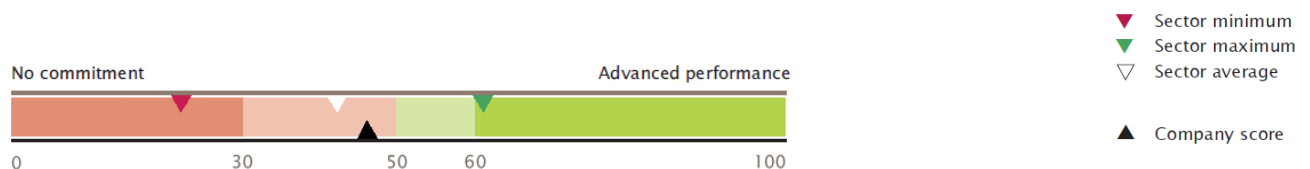
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	37	Implementation	30	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 46, weight: 1)



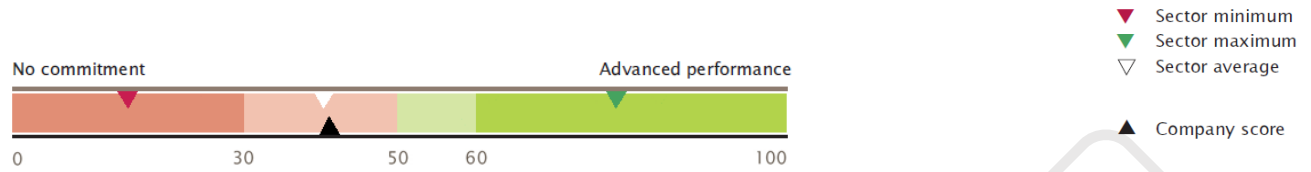
The company operates in Peru which is rated as high risk in the ITUC Annual Survey 2017 of Trade Union Rights.

Visibility of commitment	<i>The Enel Group has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Rights Policy.</i>
Relevance of commitment	<i>The company's commitment addresses part of its responsibilities regarding freedom of association and the right to collective bargaining: - protection of freedom of association and the right to organise - respect the right to collective bargaining - explicit support for ILO conventions C87 and C98.</i>
Ownership of commitment	The commitment applies throughout the company, supported by senior management.
Monitoring	<p>The company has implemented permanent measures to monitor the respect of freedom of association within its operations:</p> <ul style="list-style-type: none"> <input type="checkbox"/> occasional risk mapping <input type="checkbox"/> occasional internal audits <input type="checkbox"/> on-going monitoring of labour rights risks <input checked="" type="checkbox"/> regular internal audits <input type="checkbox"/> external audits/verification <input type="checkbox"/> external investigation of allegations <input type="checkbox"/> cooperation with unions: joint audits, joint grievance procedures etc. <p><i>As required by the Guiding Principles and on the basis of policy principles, corporate due diligence processes are developed, such as, for example, the Human Rights Compliance Assessment (HRCA) in all the Group's countries. The system includes labour rights.</i></p>
Promotion of collective bargaining	Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.
Coverage	<i>There is no evidence that the company has set up such systems in all of its operations facing the highest risks in terms of labour rights.</i>
Stakeholders' feedback	A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	37	Implementation	35	Results	65
Visibility	65	Means & resources	37	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

HRT2.4 Non-discrimination

(score: 41, weight: 2)



Visibility of commitment on non-discrimination

*The company has issued a formalised commitment to non-discrimination in its Code of Ethics.
The mother company (Enel) has issued a formalised commitment to non-discrimination in its Diversity Policy.*

Relevance of commitment on non-discrimination

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to non-discrimination

The company has set up basic measures to prevent discrimination and promote diversity:
 - *monitoring: The company reports on the number of women across different positions as well as employees per age group.*
 - *confidential reporting system: employees can address their problems, inquiries and requests confidentially to the Human Resources Department.*
 - *Awareness raising: A copy of the Code of Ethics is delivered to all employees.*

Coverage

There is no evidence that the company has set up programmes to promote diversity in a majority of its operations.

Results in terms of gender distribution

The share of women in management positions has increased but not continuously by 1.05 percentage point between 2014 and 2016. It stood at 24.05% in 2016.

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Results in terms of employment of disabled persons

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

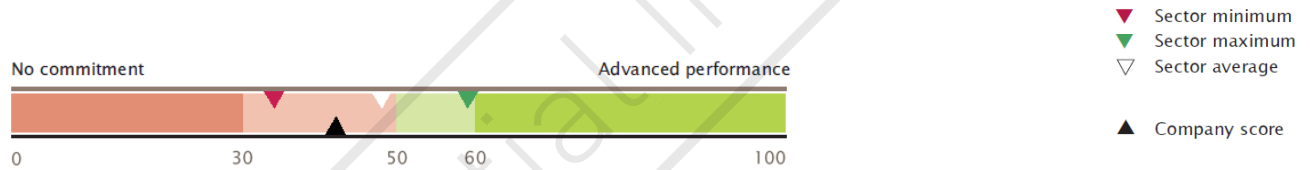
Leadership	65	Implementation	30	Results	28
Visibility	65	Means & resources	30	Performance	65
Relevance	100	Scope	N/A	Trends	15
Ownership	30	Coverage	30		

Community Involvement

Score : 35

CIN1.1 Promotion of the local social and economic development

(score: 42, weight: 3)



Visibility of the policy

The mother company (Enel) has issued a formalised and accessible commitment to promote local social and economic development in its Code of Ethics and the Human Rights Policy.

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the transfer of technology and skills to developing countries
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has allocated some means to address social and economic development, including:

- Social development programmes
- Capacity building programmes
- Infrastructure development programmes
- Social impact assessments
- Grievance mechanisms

- Social development programmes: the company has conducted health campaigns in the areas where it is located. These campaigns delivered basic health services to those most in need. Also, the company supports the Nuevo Pachacútec Higher Technological Institute, allowing that the technical electricity career from the Institute be dictated in the company, combining theory and practice for the students. At the end of 2016, 94% of the technical electricity career students are currently working on the company's contractors companies.

- development of infrastructure: the company has developed "More light for sport programme", where lighting is placed into sports facilities in order that young people play sports in insurance and illuminated places.

Geographical coverage

There is no evidence that these programmes cover the majority of company sites.

Performance trend

The company does not report indicators on social and economic development.

Transparency of tax reporting

The Company reports significantly on taxes paid. Enel Distribucion Peru reports on taxes paid to the government in the only country it operates. In addition, it provides information on sales and operating profits

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company does not operate in any location considered by the IMF as 'offshore financial centres' or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules.

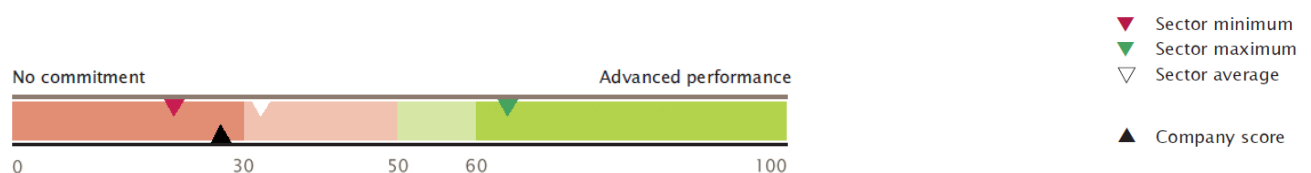
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	41	Implementation	30	Results	55
Visibility	65	Means & resources	30	Performance	75
Relevance	30	Scope	N/A	Trends	0
Ownership	30	Coverage	30		

CIN2.1 Promotion of access to energy and prevention of fuel poverty

(score: 27, weight: 3)



Visibility of the commitment on the promotion of access to energy

The company refers to addressing the access to energy in developing countries in its Annual Report. In addition, the mother company (Enel) has set quantitative targets in this regard. In its 2015-2019 Strategic Plan, Enel undertakes to guarantee access to affordable, sustainable and modern energy which will benefit 3 million people, mainly in Africa, Asia and Latin America by 2020.

Relevance of the company's commitment on the promotion of access to energy

The company's commitment to address the access to electricity in developing countries is general

- Establish collaborative projects (with governments, UN agencies, NGOs, businesses)
- Foster transfer of technology/capacity building (educational support, promotion of devices, building of dedicated infrastructure)
- Support renewable energy projects (renewable energy, LPG...)

Visibility of the commitment on the prevention of fuel poverty

The company does not disclose any commitment with regard to addressing fuel poverty.

Relevance of the commitment on the prevention of fuel poverty

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Measures implemented to promote the access to energy

The company has allocated some measures to address the access to energy in developing countries.

- Rural electrification projects/Extending electricity grids – direct operational involvement
- Provide access to electricity/gas through off-grid solutions (micro/mini grid) – direct operational involvement
- Provide capacity building/technology transfer
- Provide financial support to promote access to energy (renewable energy, LPG networks and cooking gas devices funding through micro-credits)
- Innovative partnerships with stakeholders
– Rural electrification projects: The company has developed the "massive electrification" programme, with which the company has implemented electricity in the districts of San Antonio, Carabayllo, among others.

Coverage of the measures implemented to address access to energy

Rural electrification projects cover several sites.

Measures implemented to reduce fuel poverty

Information obtained from the company and public sources regarding measures allocated to address the fuel poverty issue is insufficient.

- Financial support
- Innovative (non-obligatory) tariff schemes
- Energy demand-side management (energy efficiency) for vulnerable customers
- Customer assistance (e.i. energy ombudsman)

Coverage of the measures implemented to address fuel poverty

Performance trend - Access to energy

The company does not disclose indicators on access to energy.

Performance trend - Fuel poverty

The company does not disclose indicators on fuel poverty.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

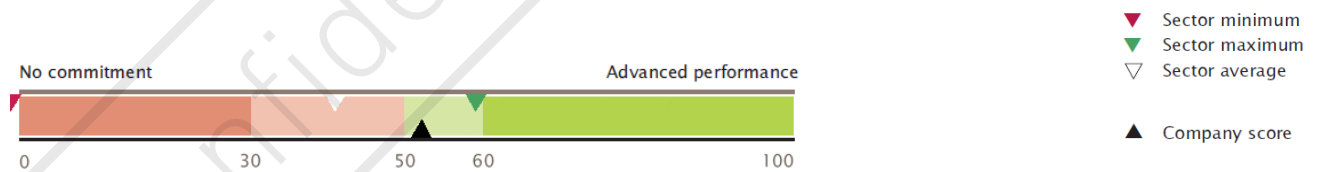
Leadership	22	Implementation	24	Results	35
Visibility	32	Means & resources	15	Performance	46
Relevance	15	Scope	N/A	Trends	0
Ownership	30	Coverage	32		

Business Behaviour (C&S)

Score : 45

C&S1.3 Responsible Customer Relations

(score: 52, weight: 2)



In 2016, the Company served 1,367,144 customers in 52 districts.

Visibility of commitment on responsible customer relations

The company has issued a formalised commitment on responsible contractual agreements (customer service, service continuity, etc.) in its: *Code of Ethics*.

Relevance of commitment on responsible customer relations

The company commits to the large majority of its responsibilities in terms of responsible contractual agreements:

- fair treatment of customers
- procedure for handling complaints
- transparent price/billing policy
- timely/complete communication with customers
- flexible and easy termination
- service continuity

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.
The Market Division of Enel Group, reporting to the CEO, is committed to monitoring indicators linked with quality of customer service and the perception of customers in relation to the service received.

Means allocated to ensure responsible customer relations and respect contractual agreements

The company has implemented a few measures:

- Training of sales staff
- Sales evaluation based on client satisfaction indicators
- Information on customer rights (and company duties towards customers)
- Compliance with a relevant industry code (e.g. Code of Practice for the Face to Face Marketing and Selling of Energy)
- Monitoring of service quality indicators (customer satisfaction, service continuity, complaints, etc.)
- Service interruptions prevention measures (and contingency plans)

- Sales evaluation based on client satisfaction indicators: Enel Group informed Vigeo-Eiris that all the employees working in sales areas have part of their variable remuneration (individual or collective) based on customer satisfaction. Moreover, for sales activities managed externally through outsourcing, a system of bonus and penalties has been set up based on customer satisfaction and quality.

- Information on customer rights: Twice a semester, the company provides to its customers leaflets of the rights of users. Also, in the company's website, information on obligations and rights as a customer of the company is disclosed.

Coverage of the means allocated to ensure responsible customer relations and respect contractual agreements

Bonuses are provided to all employees working in sales based on client satisfaction indicators.

Complaints management system

There is a formalised and accessible system to handle complaints.
The company will process complaints through an external firm Navex Global in a confidential way.

Customer satisfaction

Information disclosed on performance indicators regarding customer satisfaction is insufficient.
Of note, the company states to have the results of customer satisfaction studies, but these are not disclosed.

Results on service continuity on electricity networks

The average interruption duration per customer has decreased by 22% from 619 minutes in 2014 to 485 in 2016.

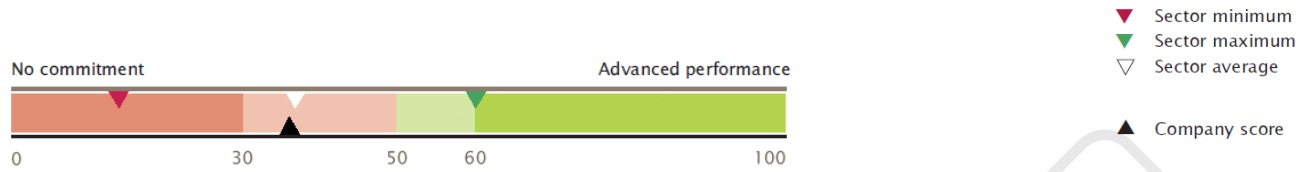
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	79	Implementation	30	Results	46
Visibility	65	Means & resources	30	Performance	46
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	30		

C&S2.4 Integration of social factors in the supply chain

(score: 36, weight: 2)



Visibility of commitment

The mother company Enel has issued a formalised commitment to including social factors in supply chain management in its Ethics Code.

Relevance of commitment

The company's social requirements for suppliers only address some of the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has set up two measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
 - supplier questionnaires
 - supplier support (training, technical assistance, etc.)
 - training/awareness raising of employees in charge of purchasing
 - non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
 - risk assessments for suppliers
- The General Contract Conditions of the Enel Group regulate dealings between companies in the Enel Group and its contractors to acquire - materials and equipment, labor and services. They contain also the ethical clauses of the Enel Group which take account of the company policy on ethical and social issues.
- 100% of 'prime contact' procurement staff of Enel Group receive training on ESG issues relevant to procurement processes and decisions.

Audits of suppliers/contractors

Information obtained from the company and public sources regarding social audits of suppliers/subcontractors is insufficient.

Coverage of the means allocated

There is no evidence that the measures implemented cover indirect suppliers/contractors.

Coverage of the social audits

Transparency on social compliance in the supply chain

The company does not disclose quantitative data on the share of social non-compliance in the supply chain.

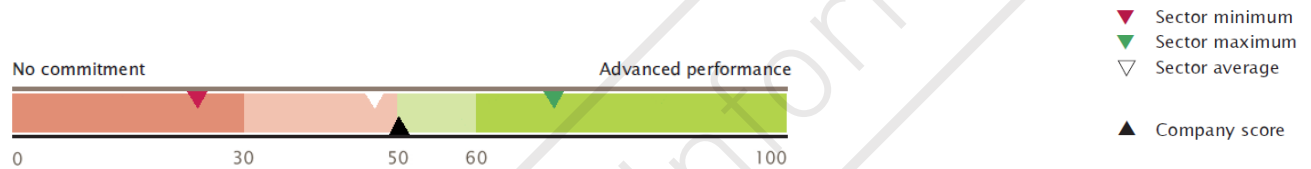
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	39	Implementation	27	Results	43
Visibility	65	Means & resources	32	Performance	43
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	15		

C&S3.1 Prevention of corruption

(score: 50, weight: 3)



Visibility of commitment on the prevention of corruption

The mother company (Enel) has issued a formalised commitment to preventing corruption in its Zero Tolerance Corruption Plan.

Relevance of commitment on the prevention of corruption

The company's commitment to preventing corruption addresses its main responsibilities:

- giving / receiving bribes
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments
- restriction of facilitation payments

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.
- The Internal Department of Enel is in charge of monitoring the control systems established by the various organisational units to implement the Zero Tolerance Corruption Plan. The Disclosure Committee expresses opinions on the revitalisation of the most relevant internal policies and procedures to ensure their consistency with the Zero Tolerance Corruption Plan; evaluates the possible changes or extensions of the CBT Plan proposed by the Internal Audit, based on the checks made.

Involvement of employees in the prevention of corruption

The company has instituted awareness-raising programmes for relevant employees on corruption prevention.
- A copy of the Code of Ethics and Zero Corruption Plan is delivered to all employees. Also, sections dedicated to communicating the Code and the Plan are available in the company intranet.

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Means allocated to the prevention of corruption

- The company has set up internal controls to prevent corruption that include:
- approval procedures for gifts, etc. by an independent department
 - the possibility to contact internal audit, legal or compliance departments directly & confidentially
 - a dedicated confidential hotline or email address
 - internal audits (internal verification of compliance with the company's code of conduct etc.)
 - risk assessment of company vulnerability
 - external audits (by an independent, external specialised organisation)
- The possibility to contact internal audit, legal or compliance departments directly & confidentially: Employees, managers and directors of Enel are required to report all violations of the Zero Tolerance of Corruption plan and, more generally, of the Code of Ethics, to the Enel auditor's office. Reports will be treated confidentially.
- internal audits: Monitoring the controls set up by the operational units to implement the anti corruption plan is entrusted to the auditor's office, which carries out its activities in all Enel companies with the objective of suggesting changes designed to improve the internal control system. The Disclosure Committee discusses the appropriateness of the periodic audit plan and verifies that the planned interventions are adequate to ensure compliance with the TCC Plan.
- a dedicated confidential hotline: employees can report violations to the Zero Tolerance Corruption Plan through an independently administered hotline in a confidential way.

Coverage of the means allocated to the prevention of corruption

There is no evidence that the measures described above (especially audits) apply at all sales agents and business partners in Peru. Enel proposes that affiliated companies and joint venture partners that do not have their own codes of ethics or programmes to fight corruption, adopt its Code of Ethics and the present Zero Tolerance Corruption Plan or, alternatively, that they draw up similar documents. Regarding agents or intermediaries, Enel states that any person who represents Enel is obliged to sign an undertaking to respect the provisions of the Code of Ethics and the Zero Tolerance Corruption Plan. Purchase contracts are subject to the rules adopted by the group regarding the Code of Ethics and the Zero Tolerance of Corruption Plan, to which suppliers must adhere.

Transparency on corruption suspicions raised through the employee reporting system

The company does not disclose any quantitative data on the number or nature of corruption incidents reported internally.

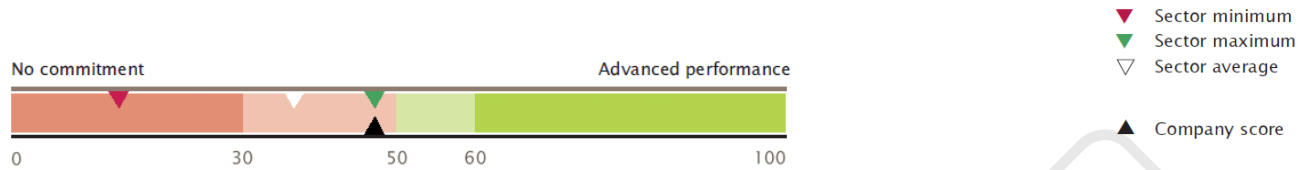
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	65	Implementation	42	Results	43
Visibility	65	Means & resources	32	Performance	43
Relevance	65	Scope	N/A	Trends	N/A
Ownership	65	Coverage	65		

C&S3.2 Prevention of anti-competitive practices

(score: 47, weight: 3)



Visibility of commitment on the prevention of anti-competitive practices

The mother company (Enel) has issued a formalised commitment to prevent anti-competitive practices in its Code of Ethics.

Relevance of commitment on the prevention of anti-competitive practices

The company's commitment to preventing anti-competitive practices addresses its main responsibilities:

- Abuse of dominant position
- Price-fixing
- Transparency on the market
- Industrial espionage

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.
The mother company Enel has an antitrust department involved in the internal process, to ensure the business initiatives and operations are in accordance to Antitrust Regulations.

Involvement of employees in the prevention of anti-competitive practices

The company has instituted awareness-raising programmes for relevant employees on the prevention of anti-competitive practices.
The Code of Ethics is communicated to all employees.

Means allocated to the prevention of anti-competitive practices

The company has set up internal controls to prevent anti-competitive practices that include:

- approval procedures for contract prices etc. by an independent department
 - the possibility to contact internal audit, legal or compliance departments directly & confidentially
 - a dedicated confidential hotline or email address
 - risk assessment of vulnerability areas within the company
 - internal audits (internal verification of compliance with the company's code of conduct etc.)
 - external audits (by an independent, external specialised organisation)
- Internal audits: Monitoring the controls set up by the operational units to implement the company's policy, including anti-competition, is entrusted to the auditor's office, which carries out its activities in all Enel companies with the objective of suggesting changes designed to improve the internal control system.
- a dedicated confidential hotline: employees can report violations to the Code of Ethics through an independently administered hotline.
- The possibility to contact internal audit, legal or compliance departments directly & confidentially: Employees, managers and directors of Enel are required to report all violations of the Code of Ethics, to the Enel auditor's office. Reports will be treated confidentially.

Coverage of the means allocated to the prevention of anti-competitive practices

All employees seem to have access to the Ethicspoint hotline. However, the coverage of internal audits is not clear.

Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

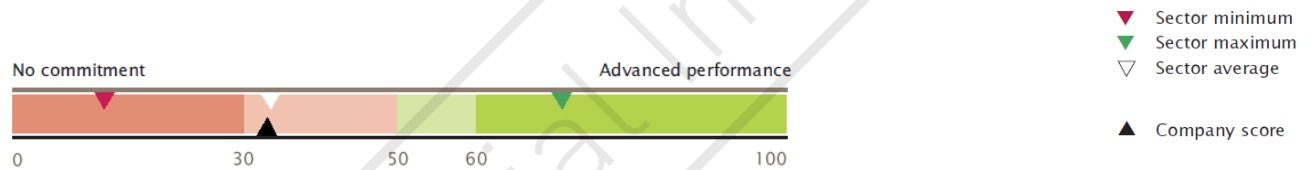
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	65	Implementation	32	Results	43
Visibility	65	Means & resources	32	Performance	43
Relevance	65	Scope	N/A	Trends	N/A
Ownership	65	Coverage	30		

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 33, weight: 1)



Visibility of the commitment on transparency and integrity of influence strategies and practices

The mother company (Enel) has issued a formalised and accessible commitment to ensuring transparency and integrity of lobbying practices in its Code of Ethics.

Relevance of the commitment on transparency and integrity of influence strategies and practices

The company's commitment only addresses part of its responsibilities towards ensuring transparency and integrity of lobbying practices:

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations

Ownership of commitment

The commitment applies throughout the company, supported by senior management. A dedicated structure is responsible for this issue or relevant staff are held accountable. In addition, stakeholders are involved.

- *The Internal Audit Department is responsible for verifying the Protocol of Action with Public Officials. The Human Resources Department is responsible for ensuring the adequate dissemination of the Protocol to the entire organisation. Besides, The representatives of Enel Chile will promote the adoption of the Protocol of Action with Public Officials and its incorporation into the internal regulations of the company.*

- *According to Enel Group's Code of Ethics, contacts with institutional counter-parties take place exclusively through representatives who have been explicitly designated to perform such roles by the top management of Enel SpA. The company's strategies in terms of lobbying activities are discussed at the board at country level and at Internal Control Committee Level. Enel's Institutional Affairs Department is responsible for this issue.*

- *In all the countries where Enel is present, the units dedicated to institutional relations work to consolidate dealings with national institutions and bodies, in order to represent the company's positions and interests to public decision makers.*

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated towards transparency and integrity of influence strategies and practices

The company has not set up significant measures to ensure transparency and integrity of lobbying practices.

- publication of detailed information on lobbying activities
 - approval procedures for gifts, travel or other privilege by an independent department
 - a dedicated confidential hotline or email address
 - internal monitoring for lobbying budget
 - internal audits for lobbying activities
 - independent party for monitoring lobbying budget/external audit
 - disclosure of the positions in the period of preparation of a debate and during the debate
- *A dedicated confidential hotline or email address is in place.*

Coverage of the measures allocated towards transparency and integrity of influence strategies and practices

All employees appear to have access to the hotline.

Reporting

The company does not disclose direct and indirect expenses dedicated to lobbying practices.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

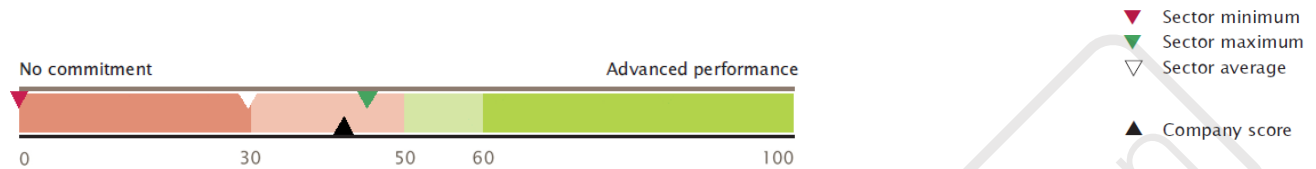
Leadership	55	Implementation	9	Results	35
Visibility	65	Means & resources	0	Performance	35
Relevance	30	Scope	N/A	Trends	N/A
Ownership	100	Coverage	30		

Corporate Governance

Score : 31

CGV1.1 Board of Directors

(score: 42, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

Information on the responsibilities allocated over CSR issues is insufficient.

Share of independent shareholder-elected Board members

The Board is between 34 and 50% independent, which is less than the recommended level. Three members of the eight-member Board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
 - At least 40% of directors are women
 - Employee representative(s) sitting on the Board
 - Board members with demonstrated professional experience in the company's sector of activities
 - Board members with demonstrated expertise on CSR issues
- All directors have experience in the electricity industry.

Training and expertise provided to board members

Training is provided upon joining the Board.
The company reports that directors participate in induction programmes and are informed on the structure organisation of the Company.

Regular election of Board members

Board members are eligible for re-election following one-year term.

Evaluation of Board's functioning and performance

Information obtained from the company and public sources regarding the evaluation of board functioning and performance is insufficient.

Review of CSR issues at Board meeting

The formal CSR reporting has been signed by CEO/Chairman/Board, but there is no evidence that relevant CSR issues are reviewed at Board meetings.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

The CSR Report is included in the Annual Report which has been validated by the chairman.

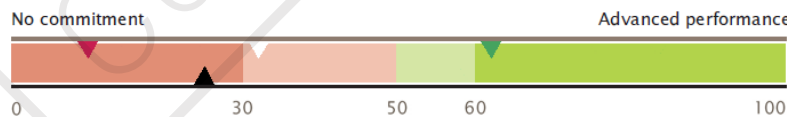
Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%
13 Board meetings were held during 2016, and the attendance rate was 94.2%.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Carlos Temboury	Chairman											X		
Fernando Fort Marie														X
Walter Sciutto	CEO	X										X		
Carlos Alberto Solis		X										X		
Paolo Pescarmona												X		
Gianluca Caccialupi												X		
Mario Alberto														X
José de Bernardis														X

CGV2.1 Audit & Internal Controls

(score: 25, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

No specific committee is in charge of audit issues, which might raise concerns.

Skills and backgrounds of Audit Committee members

There is no Audit Committee in place.

Operational and CSR risks covered by the company's internal controls system

The system covers the standard issues related to financial, operational, and legal risks.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

Role of the Audit Committee in overseeing internal and external controls

There is no Audit Committee in place.

Management of the CSR risks

Information obtained from the company and public sources regarding the management of the CSR risks is insufficient.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent only 5% or less of total fees.

There was no non-audit related service provided for the year 2016.

Inclusion of CSR issues in the company's reporting

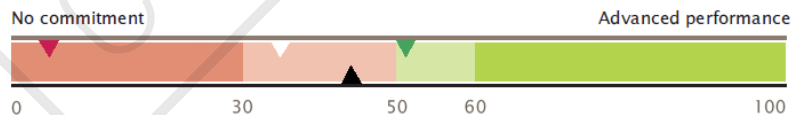
The company does not publish any significant CSR reporting on the key material issues for its sector.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

CGV3.1 Shareholders

(score: 44, weight: 2)



- ▼ Sector minimum
- ▼ Sector maximum
- ▽ Sector average
- ▲ Company score

Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM No major restrictions have been identified.

Access to voting at General Meetings There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

Ability to vote on relevant issues in separate resolutions at AGM *Not all major items are put to a shareholder vote. The following items are not put to a vote at the AGM:*
- Election of board members (a separate resolution for each member).

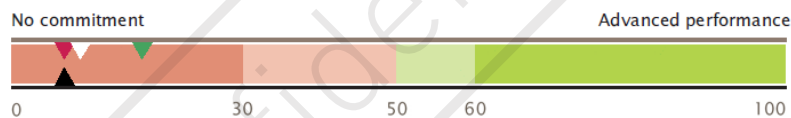
Presentation of CSR strategy to shareholders and investors Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

- Climate change
- Pollution prevention
- Corruption
- Health & safety
- Community relations
- Anti-competitive practices

Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

CGV4.1 Executive Remuneration

(score: 7, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

No specific committee is in charge of executive remuneration, which might raise concerns.

Disclosure of senior executives' individual remuneration

Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Health & Safety*
- Climate Change*
- Pollution Prevention*
- Customer Satisfaction*
- Other*

Severance pay for senior executives

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

Evolution of CEO-to-employee compensation ratio

Information obtained from the company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Confidential Information

Allegations and controversies

Domain Sustainability driver

Page

Copyright Vigeo 2017 - Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provisions of the French Intellectual Property Code.

Confidential Information

Detailed Scores And Ratings

Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2017/10	=	=	=	-	=	=
2015/10	=	+	=	=	=	=

Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	39	42	38	17
Human Resources	45	54	29	51
Human Rights	43	48	31	50
Community Involvement	35	32	27	45
Business Behaviour (C&S)	45	62	31	43
Corporate Governance	31	24	25	43

Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	86
	2	37
	3	D/A
	4	22
Environment 2	2	13
	4	D/A
Environment 3	1	24
Sub-domain	Criterion	Score
Human Resources 1	1	18
	3	22
Human Resources 2	4	61
	2	52
Human Resources 3	2	52
	4	52
Sub-domain	Criterion	Score
Human Rights 1	1	44
	4	41
Human Rights 2	1	46
	4	41

Sub-domain	Criterion	Score
Community Involvement 1	1	42
	1	27
Community Involvement 2	1	27
	1	27
Sub-domain	Criterion	Score
Business Behaviour (C&S) 1	3	52
	4	36
	1	50
Business Behaviour (C&S) 2	2	47
	3	33
Business Behaviour (C&S) 3	1	50
	2	47
Sub-domain	Criterion	Score
Corporate Governance 1	1	42
	1	25
Corporate Governance 2	1	25
	1	44
Corporate Governance 3	1	44
	1	7
Corporate Governance 4	1	7
	1	7

General Overview

Position versus sector peers Rest of the World	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
PHY0001Z1040 Aboitiz Equity Ventures	-	-	-	-	-	+	32
CL0002266774 Enel Chile	+	=	+	=	+	+	49
PEP701011004 Enel Distribucion Peru	=	=	=	-	=	=	40
PEP700511004 Enel Generacion Peru	+	+	=	=	+	-	42
PEP702521001 Luz Del Sur	-	-	-	=	-	-	26
MA0000011439 Lydec	+	+	++	++	+	=	53
CND000000BC2 State Grid Corporation of China	--	-	-	-	-	--	20

Confidential Information

Contacts

Analyst : Hatim Ksissou • hatim.ksissou@vigeo.com
Sector Lead: Hatim Ksissou • hatim.ksissou@vigeo.com

Disclaimer

Copyright Vigeo 2017

Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provision of the French Intellectual Property Code.

The information in this document results from the application of Vigeo's Equities methodology and is based on sources which Vigeo believes to be reliable. However, the accuracy, completeness and up-to-dateness of this report are not guaranteed, and Vigeo shall under no circumstances be responsible for the strategy choices, management decisions and, more generally, decisions of any nature taken by the reader in reliance upon the information contained in this document.

Confidential Information