

Ferreycorp

ISIN CODE: PEP736001004

Overall score 33/100

Sector: Industrial Goods & Services Emerging Market
Companies in sector panel: 21

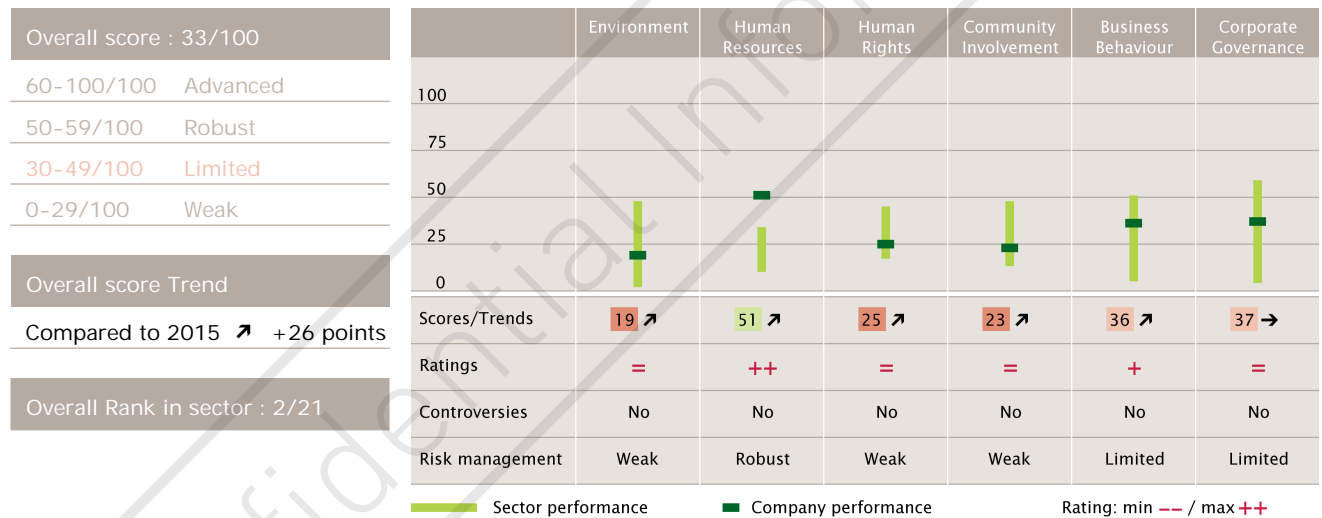
Information rate: 58% (Sector average: 49%)
Company cooperation level: Proactive *

General information

Ferreycorp SAA (FSAA), formerly Ferreyros SAA, is a Peru-based company engaged in the import, distribution, sale, leasing and maintenance of construction, mining, agricultural and transport equipment and vehicles, such as tractors, trucks and excavators. The Company also provides light machinery and small equipment rental and workshop services.

Main Economic Segment**	Turnover 2015
Open Pit Mining	36.0 %
Construction	26.0 %
Underground Mining	14.0 %

Overall CSR performance & trends



- With a score of 33/100, FSAA displays an overall limited absolute performance as regards the integration of the main CSR issues analysed by Vigeo.
- FSAA reports on a heterogeneous approach to address its ESG impacts. The Company seems to focus on Governance and Social issues as shown by its performances in the related pillars which are limited. FSAA remains insufficiently transparent on the Environmental pillar as reflected by its weak performance.
- During the period under review, no allegation has been identified against FSAA.

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

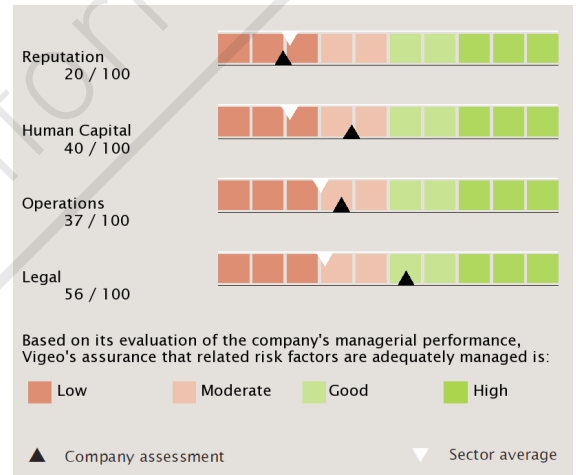
Weight of the Sustainability drivers	Weaknesses		Strengths	
	3	<ul style="list-style-type: none"> Energy Non-discrimination and diversity Use and disposal of products 	<ul style="list-style-type: none"> Reorganisation Board of Directors 	<ul style="list-style-type: none"> Corruption Health and safety
2	<ul style="list-style-type: none"> Social and Economic Development Executive Remuneration Social standards in the supply chain 	<ul style="list-style-type: none"> Shareholders Audit & Internal Controls Environmental strategy Fundamental labour rights Fundamental Human rights 		
1	<ul style="list-style-type: none"> General interest causes 		<ul style="list-style-type: none"> Career management 	
	Weak 0 to 29 points	Limited 30 to 49 points	Robust 50 to 59 points	Advanced 60 to 100 points

- Overall, the Company achieves weak and limited scores across the majority of issues analysed. Consequently, Vigeo has a weak to limited level of assurance that the Company adequately manages risks linked to its **human capital, operational efficiency and reputation**.

- FSAA's approach to mitigating the **environmental impacts of its activities and products** is an area of risk for the Company. Its commitment to environmental protection is only general, and besides the monitoring of its energy use and related CO2 emissions, the company does not appear to have implemented any other measures to reduce the environmental impacts of its production processes. The **management of environmental impacts of its rental equipment** is a particularly important issue for the company. As its main clients are in the construction and mining industries, which are under scrutiny over the environmental impacts of their operations, they may want to rent equipment that would play a part in mitigating their own environmental footprint. Therefore, FSAA might miss the opportunity to gain market shares by answering clients' demand for more environmentally-friendly products.

- However, an area of strength for FSAA lays in its robust approach to **health and safety**. In particular, extensive means appear to be allocated to the improvement of its employees' H&S conditions. FSAA's employees may be exposed to safety hazards in their daily work as they operate or maintain construction equipment and machines, therefore by addressing this issue, FSAA's reputation as an employer may be positively impacted and the company may thus retain its workers and attract new ones. A good management of health and safety might also lead to lower absenteeism rates, which may in turn positively impact operations.

- Furthermore, as aforementioned, FSAA's main clients belong to the mining and construction industries, which are particularly exposed to **corruption**, notably due to their presence in South America where regulations may be less stringent. In Peru particularly, scandals for corruption are common and the country's scores in the Transparency International ranking show that it remains a serious issue. FSAA appears to have apprehended the importance of tackling this issue and reports on an internal reporting channel in place. It also discloses the number of reports made through this tool. By addressing this issue in a comprehensive manner, the Company may be able to mitigate the legal and reputational risks linked to potential corruption lawsuits and their associated costs, should the company be fined.



* 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 33/100		Trend	Score
		Environment		↗	19
ENV1.1	2	Environmental strategy		↗	36
ENV1.2	2	Pollution prevention			N/R
ENV2.1	2	Water			N/R
ENV2.2	3	Energy		↗	27
ENV2.4	2	Atmospheric emissions			N/R
ENV3.1	3	Use and disposal of products		→	0
		Human resources		↗	51
HRS1.1	2	Social Dialogue			N/R
HRS2.3	3	Reorganisation		↗	49
HRS2.4	1	Career management		↗	51
HRS3.2	3	Health and safety		↗	54
		Human rights		↗	25
HRT1.1	2	Fundamental Human rights		↗	30
HRT2.1	2	Fundamental labour rights		↗	30
HRT2.4	3	Non-discrimination and diversity		↗	18
		Community involvement		↗	23
CIN1.1	2	Social and Economic Development		↗	26
CIN2.2	1	General interest causes		↗	17
		Business behaviour (c&s)		↗	36
C&S1.1	1	Product safety			N/R
C&S2.3	1	Environmental standards in the supply chain			N/R
C&S2.4	2	Social standards in the supply chain		↗	7
C&S3.1	3	Corruption		↗	56
C&S3.2	2	Anti-competitive practices			N/R
		Corporate governance		→	37
CGV1.1	3	Board of Directors		→	46
CGV2.1	2	Audit & Internal Controls		↘	37
CGV3.1	2	Shareholders		→	48
CGV4.1	2	Executive Remuneration		↗	14

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	Revenue	EBIT	Employees
2015	PEN 5,204.1 m	PEN 490.5 m	6,665
2014	PEN 4,846.2 m	PEN 337.6 m	6,633
2013	PEN 4,998.7 m	PEN 390.2 m	6,303
2012	PEN 4,648.6 m	PEN 303 m	6,290
2011	PEN 3,826 m	PEN 277.8 m	5,358

Main shareholders	2016
La Positiva Vida Seguros y Reaseguros S.A.	8.93 %
Onyx Latin America Equity Fund LP	8.11 %
RI-Fondo 2 (PRIMA AFP)	7.18 %
Equinox Partners LP	5.8 %
IN-Fondo 2	5.01 %

Geographical breakdown	Revenue 2015	Employees 2015
Peru	86.4 %	84.8 %
Guatemala	6.7 %	nd
Chile	2.9 %	nd
El Salvador	2.6 %	nd
USA	0.7 %	nd

All Economic Segments	Turnover 2015
Open Pit Mining	36.0 %
Construction	26.0 %
Underground Mining	14.0 %
Others	13.0 %
Industry, Commerce and Services	11.0 %

Selected ESG Indicators

	2015
Non-executive Board member(s) responsible for CSR issues	No
Executive remuneration linked to CSR performance	Yes
3-year energy consumption trend (normalized to turnover)	↑
Percentage of independent Board members	30
Percentage of women on Board	10
Percentage of women in Executive team	25
Percentage of women in workforce	12
3 year trend for safety at work	↑
Involvement in armament	No
Management of social risks in supply chain	Weak

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	%

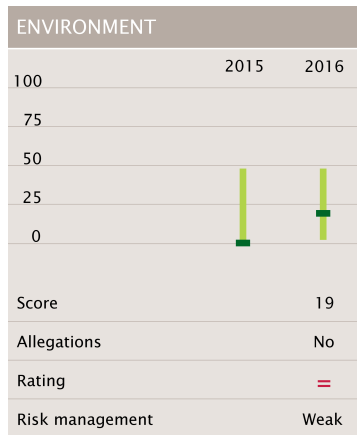
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- 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 ++

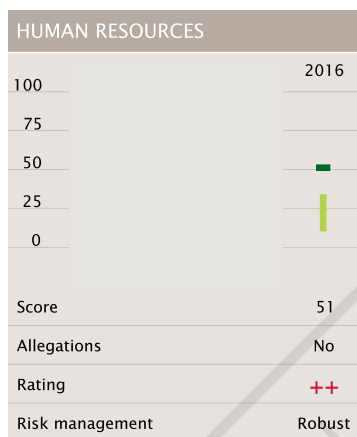


Key issues

Two environmental issues are of major relevance for the IGS AP sector. The first concerns energy consumption and related emissions from the production process as these industries are major consumers of energy for the most part. Well-managed energy consumption and greenhouse gas emissions are factors of operational gains, while poor management of these may lead to increased costs. There is also increasing pressure from clients to offer products with a reduced environmental impact, since IGS products constitute key drivers to reduce energy consumption and associated emissions of other industries. The management of environmental impacts of product is therefore another key sustainability driver in the sector.

Company performance

- In the Environment domain, FSAA achieves a weak performance in absolute terms.
- The Company's score in this domain is hindered by its lack of reporting as regards how it tackles the issue of its products' impacts on the environment throughout their lifecycle. Furthermore, none of its sites has a certified environmental management system in place. On a more positive note, FSAA's energy use and related CO2 emissions have decreased over the past five years, and SOx emissions over the past three years.

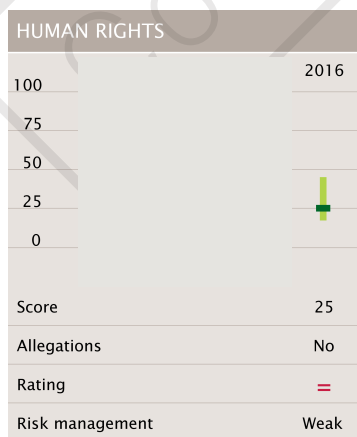


Key issues

The nature of the IGS sector's activities exposes workers to health and safety problems such as accidents - both on-site and at clients' sites, including the risk of inhalation of toxic substances and repetitive movements. Stress management remains also a key issue for most part of the companies that also provide engineering services. Another key area of interest is the management of reorganisation, given that restructuring activities is a part of the strategy for a majority of companies in the sector, including delocalisation to emerging markets.

Company performance

- FSAA achieves a robust performance in absolute terms in the Human Resources domain.
- While the Company reports on a highly relevant commitment to promote career development, sustained by the implementation of a training and talent management system, FSAA also reports on a comprehensive set of measures to mitigate the impacts of reorganisations on its workforce. However, performances are hindered by the lack of historical data as regards the first issue, and the lack of commitment as regards the second. Finally, regarding health and safety, FSAA has implemented a certified H&S management system as well as some measures to address stress in the workplace in a majority of its sites of operation. KPIs, on the other hand, show mixed trends.

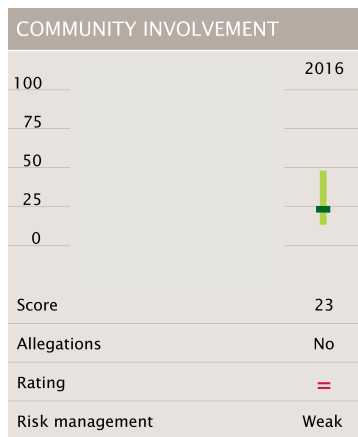


Key issues

In the industrial sector, the issue of non-discrimination is a key human rights issue, as it remains largely dominated by men. In addition, the retention and integration of disabled persons is an issue, especially since workplace accidents can result in long-lasting injuries preventing employees from working in their previous capacity. Industrial sectors are also characterised by an aging workforce in industrialised countries (which is especially the case in Japan). Efficient discrimination prevention systems and promotion of diversity are factors of competitiveness, while a poor management of these may negatively affect the social climate and the company's ability to attract and retain talent.

Company performance

- In the Human Rights domain, FSAA achieves a weak performance in absolute terms.
- Although the Company has committed to address all issues at stake, namely fundamental human and labour rights, and anti-discrimination, it does not appear to further report on these issues.

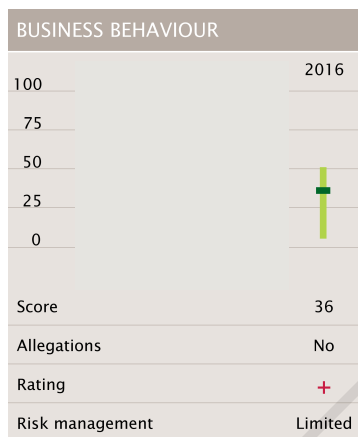


Key issues

The main issue at stake for the IGS sector in the field of community involvement regards companies' impacts on local social and economic development in areas where they operate, given their economic power. Implantation in developing countries represents an opportunity to improve the lives of local communities economically and socially, which enhances the company's image and has a positive impact on their social acceptance. In addition, in the occasion of site closures, IGS companies are expected to limit their negative impacts in terms of employment and economy since poor management of these issues might affect the company's image locally or on a larger scale.

Company performance

- Ferreycorp's performance in the Community Involvement domain is weak in absolute terms.
- Although the company reports on some means in order to promote local social and economic development as well as to contribute to general interest causes, FSAA does not disclose any formalised commitment to address these issues. Finally, FSAA has operations in an offshore financial center but does justify its presence there, while, more generally, it reports significantly on the taxes it pays.



Key issues

One of the business behaviour issues that is most at stake for the IGS sector is the prevention of corruption, given the fact that companies' principal business partners are often other large companies or governments. The small number of large firms in the oligopolistic markets in which companies in the sector often operate creates an incentive to cooperate rather than compete. For this reason, the prevention of anti-competitive practices is also important for the sector.

Company performance

- Ferreycorp's performance in the Business Behaviour domain is limited in absolute terms.
- While the company achieves a robust score in terms of prevention of corruption, the company's overall performance is hindered by its lack of transparency as regards the integration of social factors in the supply chain. In addition to formal training for its sales people on the issue of bribery, FSAA has an internal reporting system in place. The Company reports that, over the past three years, no suspicion of corruption has been reported through this tool.



Key issues

Corporate governance is critical to ensuring that a well functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system, the protection of Shareholders Rights and the establishment of Executive Remunerations which align executives' and company's interests.

Company performance

- FSAA's performance in the Corporate Governance domain is limited in absolute terms.
- Despite receiving training on a regular basis and showing some diversity in skills and backgrounds, Board members show a level of independence below recommended levels. Furthermore, even though there is an audit committee within the board, its role is not comprehensive, and the company's internal controls does not seem to cover CSR issues. As for shareholders, the "one share-one vote" appears to be respected, but there are major restrictions as to their ability to convene an EGM. Finally the company lacks transparency as regards the rules guiding its executives' remuneration.

Detailed analysis

Environment		10
ENV1.1	Environmental strategy and eco-design	10
ENV1.2	Pollution prevention and control (soil, accident)	10
ENV2.1	Protection of water resources	11
ENV2.2	Minimising environmental impacts from energy use	11
ENV2.4	Management of atmospheric emissions	12
ENV3.1	Management of environmental impacts from the use and disposal of products/services	12
Human Resources		13
HRS1.1	Promotion of labour relations	13
HRS2.3	Responsible management of reorganisation	13
HRS2.4	Career management and promotion of employability	14
HRS3.2	Improvement of health and safety conditions	15
Human Rights		17
HRT1.1	Respect for human rights standards and prevention of violations	17
HRT2.1	Respect for freedom of association and the right to collective bargaining	18
HRT2.4	Non-discrimination	19
Community Involvement		20
CIN1.1	Promotion of the social and economic development	20
CIN2.2	Contribution to general interest causes	21
Business Behaviour (C&S)		23
C&S1.1	Product Safety (process and use)	23
C&S2.3	Integration of environmental factors in the supply chain	23
C&S2.4	Integration of social factors in the supply chain	23
C&S3.1	Prevention of corruption	24
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Corporate Governance		25
CGV1.1	Board of Directors	25
CGV2.1	Audit & Internal Controls	27
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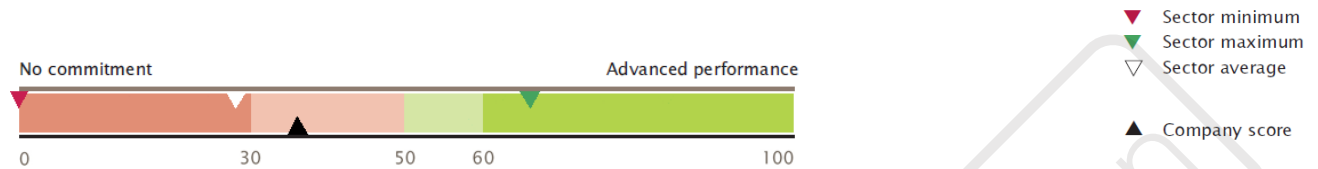


Environment

Score : 19

ENV1.1 Environmental strategy and eco-design

(score: 36, weight: 2)



As FerreyCorp does not manufacture the product it sells, questions related to the eco-design of products are not considered relevant and therefore are deactivated.

Visibility of commitment to environmental issues

The company makes references to Integrated Health, Safety and Environment Policy. However this policy does not seem to be publicly disclosed. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The company's commitment to environmental protection is general.

Ownership of commitment

FSAA reports that each of its subsidiaries has its own internal Health, Safety and Environmental Committee that is in charge of developing and regulating their internal environmental regulations. In addition, FSAA's Health, Safety and Environment Department has environmental control supervisors that are in charge of establishing targets for each area of activity of the company and of ensuring that they are complied with.

Means allocated to environmental management

The company has allocated resources to environmental management, including training, communication and monitoring. FSAA communicates environmental newsletters to its employees and has also implemented lectures and training sessions covering environmental issues such as waste and spill management. It also reports that monitoring is undertaken by accredited third parties. Finally, FSAA reports it has implemented an environmental management system based on the ISO 14001 certification requirements.

Coverage of certified environmental management systems

None of the company's sites have a certified environmental management system.

Leadership	39	Implementation	33	Results	N/A
Visibility	30	Means & resources	65	Performance	N/A
Relevance	30	Scope	N/A	Trends	N/A
Ownership	65	Coverage	0		

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

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

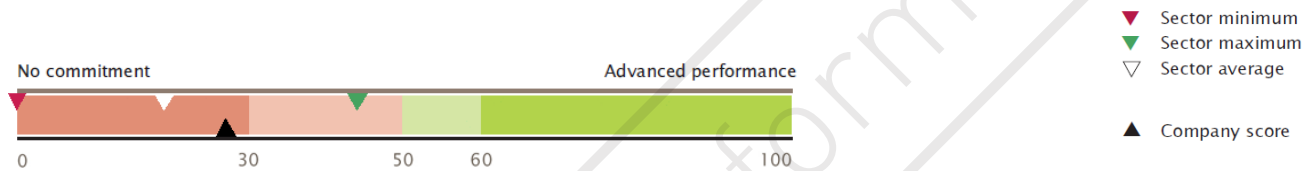
ENV2.1 Protection of water resources

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

ENV2.2 Minimising environmental impacts from energy use

(score: 27, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company does not disclose any commitment with regard to its energy consumption.

Relevance of the company's commitment in terms of reducing its energy-related emissions.

The company does not disclose any commitment with regard to its energy-related emissions.

Means allocated

The company has set up monitoring systems for its energy consumption and its related emissions. In addition, the company reports it is in the process of more energy-efficient lighting in its workshops.

Coverage

Monitoring appears to be group-wide, while the lighting optimisations are reported to have been implemented only in 10% of the company's operations.

Energy consumption

The company's energy consumption, normalised to sales, has decreased by 13%, although not on a continuous trend, between 2011 and 2015, to stand at 1.43 GWh per million Peruvian Soles.

CO2 emissions linked to energy consumption (direct AND indirect, when applicable)

The company's GHG emissions (direct and indirect) linked to energy consumption, normalised to sales, have decreased by 10%, although not on a continuous trend, between 2011 and 2015, to stand at 0.5 tons CO2 eq per million Peruvian Soles.

SO2 emissions linked to energy consumption

The company's SO2 emissions (direct and indirect) linked to energy consumption, normalised to sales, have decreased by 11%, although not continuously, between 2013 and 2015, to stand at 0.1 kg SO2 eq per million Peruvian Soles.

NOx emissions linked to energy consumption

The company does not disclose quantitative data on NOx emissions (direct or indirect) linked to energy consumption.

Leadership	0	Implementation	30	Results	50
Visibility	N/A	Means & resources	30	Performance	50
Relevance	0	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	30		

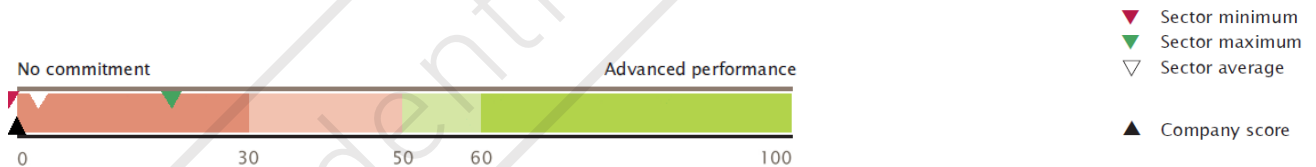
ENV2.4 Management of atmospheric emissions

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

ENV3.1 Management of environmental impacts from the use and disposal of products/services

(score: 0, weight: 3)



As FerreyCorp is involved in rental services, questions related to the use of products are analysed as regards the rental of equipments that reduce the impact on the environment. The disposal of products is analysed as regards the management of the end of life of the rental fleet.

Relevance of commitments related to the use of products

The company does not disclose any commitments related to the use of its products.

Materiality of means on the use of products

Information obtained from company and public sources regarding means allocated to limiting the environmental impacts related to the use of its products is insufficient.

Coverage with regard to measures affecting the use of the product

Relevance of commitments related to the disposal of products

The company does not disclose any commitments related to the disposal of its products.

Materiality of means on the disposal of products.

Information obtained from company and public sources regarding means allocated to limiting the environmental impacts related to the disposal of its products is insufficient.

Coverage with regard to measures affecting the elimination of the product

Share of products that are eco-designed

The company does not disclose data on the share of its products that have a reduced environmental impact during use and disposal.

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

Human Resources

Score : 51

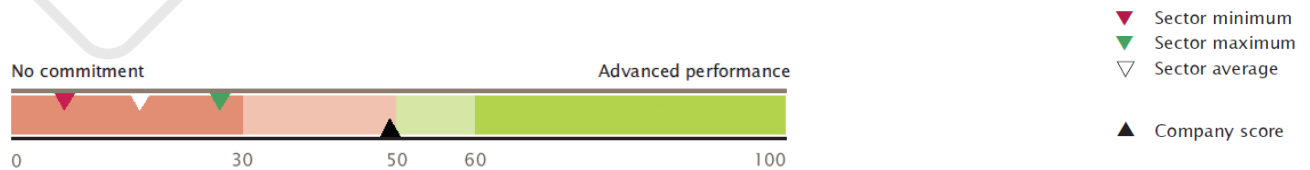
HRS1.1 Promotion of labour relations

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

HRS2.3 Responsible management of reorganisation

(score: 49, weight: 3)



FerreyCorp does not report any information about any employees' layoffs during the year under review, and no information was found in the media about any restructurings carried out by the company.

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Relevance of commitment to manage reorganisations responsibly

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

Involvement with employee representatives

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

Means allocated to prevent and manage reorganisations

The company has allocated significant measures to limit the impacts of reorganisations:
 - significant financial compensation : Laid-off employees are entitled to an indemnisation amounting to 1.5 of their monthly wages per year spent in the company, with a limit set at 12 remunerations.
 - outplacement services: FSAA mentions this as a measure that can be taken in order to mitigate the impacts of reorganisations on its employees.

Coverage

These means are allocated for all the company's employees affected by the reorganisations.
All employees under a permanent contract who are dismissed for a reason other than fraud or misconduct are entitled to these measures.

Stakeholders' feedback

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

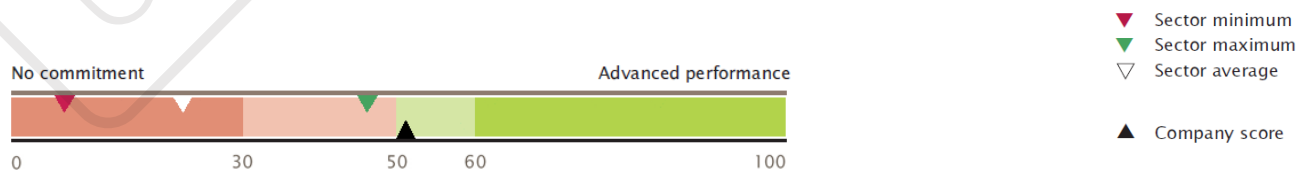
Result of the company's commitment to manage reorganisations responsibly

Since the number of employees at the company has increased continuously during the past three years and no information on layoffs due to reorganisations has been revealed, it is assumed that the company has been able to maintain employment.

Leadership	0	Implementation	65	Results	81
Visibility	N/A	Means & resources	65	Performance	81
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	65		

HRS2.4 Career management and promotion of employability

(score: 51, weight: 1)



Visibility of commitment

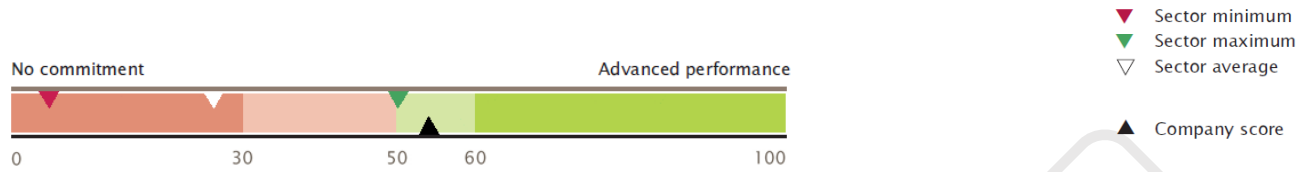
The company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its Code of Ethics.

Relevance of commitment	<i>The company's commitment to promoting career management and training addresses its main responsibilities: - Ensure training, life-long learning and employability - Promote career development - Anticipate short and long-term employment needs and skill requirements.</i>
Ownership of commitment	<i>The Head of Human Resources is part of the company's Executive Committee and line managers are evaluated on their performance in managing talent and building their team's skills.</i>
Career management systems	<i>Ferreyros, FSAA's main subsidiary, has formalised the skill requirements for the various job positions. In addition, FSAA told Vigeo that it has implemented a system of objectives setting and performance assessment interviews. These interviews are conducted every six months.</i>
Coverage of career management systems	<i>Ferreyros employees account for 53 % of FSAA's total workforce. On the other hand, there is no evidence that the performance assessment interviews are conducted for a majority of the company's employees.</i>
Types of training provided to non-managers	<i>FSAA reports that it has developed the Service Pro programme, which aims at providing the necessary training to technical workers and employees in Logistics in order for them to adapt to the new requirements of their positions.</i>
Means allocated to training for all employees	<i>The company has disclosed the number of training hours per employee for 2015 only. In 2015, the average number of training hours per employee stood at 32.57.</i>
Mobility / turnover	<i>FSAA reports on the number of employees who were dismissed and who left the company in mutual consen for 2015 only. In 2015, the rate stood at 1.3% of the total workforce.</i>
Training delivered during the year under review	<i>The majority of the company's employees received training during the year under review. FSAA reports that, in 2015, 89% of its employees (excluding management) has received training.</i>

Leadership	83	Implementation	31	Results	39
Visibility	100	Means & resources	32	Performance	39
Relevance	65	Scope	30	Trends	N/A
Ownership	100	Coverage	30		

HRS3.2 Improvement of health and safety conditions

(score: 54, weight: 3)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues in its Code of Ethics and HSE Policy.

Relevance of commitment

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

Ownership of commitment

It is unclear who is responsible for the company's commitment in the Code of Ethics. On the other hand, FSAA reports that each of its subsidiaries has its own internal Health, Safety and Environmental Committee that is in charge of developing and regulating their internal H&S policy.

Means allocated to health and safety

The company has allocated means to address these issues, including a health and safety system. FSAA reports it has implemented a health and safety management system based on the OHSAS 18001 certification requirements:
 - training programmes: as part of FSAA's online academy, courses on health and safety are provided;
 - internal monitoring of its accident frequency rate and of its severity rate;
 - risk assessments: the company conducts preventive assessments of its operations in order to detect potential working conditions or working habits that could present a safety risk;
 - internal H&S audits: planned and unannounced inspections are regularly realized in order to assess the operations' level of compliance with the company's internal H&S management system.

In addition, the company reports on measures to prevent employees' exposure to hazardous substances. It appears that each employee has to be able to identify products and their associated NFPA diamond, which is a standard system for the identification of the risks posed by hazardous materials and the procedures to follow in case of emergency. Employees also have access to safety sheets that list the chemicals contained in the product and the necessary equipment required to handle the product.

Coverage of health and safety system

The health and safety measures appear to cover the majority of the company's employees.

Means allocated to reduce stress at work

The company has allocated basic means to address stress at work, including an assessment of stress sources through the evaluation of several factors such as social relations in the workplace, training, time off, etc.

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Coverage of means allocated to address mental health

FSAA told Vigeo that 100% of its employees are assessed on factors related to mental health.

Accident frequency rate

FSAA's lost-time injury frequency rate has decreased continuously by 21 % between 2013 and 2015, to stand at 1.06 injuries per 200,000 hours worked

Accident severity rate

FSAA's severity rate has increased over the past three years by more than a 100%, to stand at 194 days lost per 200,000 hours worked.

Other health and safety indicators

The company reports that there has been no case of occupational diseases over the past three years.

Stakeholders' feedback

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

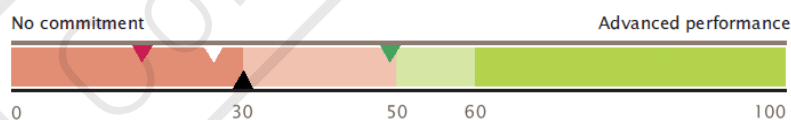
Leadership	42	Implementation	72	Results	49
Visibility	65	Means & resources	65	Performance	49
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	82		

Human Rights

Score : 25

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

(score: 30, weight: 2)



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

The company has operations in Peru, Chile, El Salvador, Belize and the USA which are rated as 'Free' in terms of political rights and civil liberties by Freedom House 2015, as well as in Guatemala and Nicaragua, which are rated as 'Partly Free'.

Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its Code of Ethics. The company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment *The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:
- respect freedom of expression.*

Ownership of commitment *It is unclear who is responsible for the company's commitment.*

Means allocated *Information obtained from company and public sources regarding systems to ensure that basic human rights are respected is insufficient.*

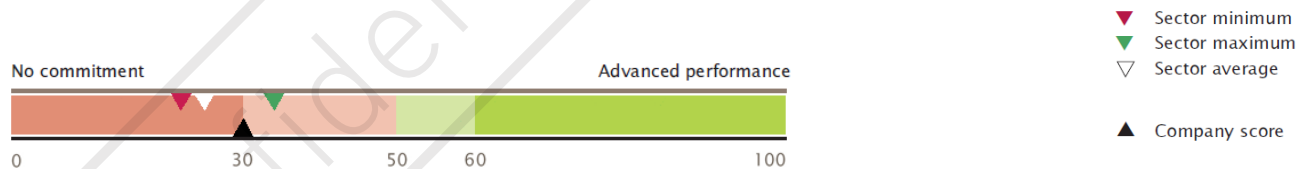
Coverage

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

Leadership	25	Implementation	0	Results	65
Visibility	N/A	Means & resources	N/A	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

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

(score: 30, weight: 2)



Visibility of commitment *The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Ethics and Labour Relations Policy.
The company is a signatory of the Global Compact but does not communicate on this principle.*

Relevance of commitment *The company's commitment generally addresses freedom of association and the right to collective bargaining.*

Ownership of commitment *It is unclear who is responsible for the company's commitment.*

Monitoring

Although FSAA has operations in Peru, Chile, El Salvador and in the USA, where labour rights violations have been reported in recent years, it is not clear what steps the company takes to ensure that freedom of association is respected throughout its operations.

Promotion of collective bargaining

Information obtained from company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

Coverage

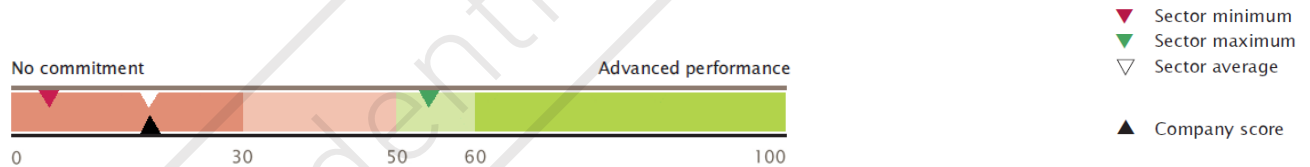
Stakeholders' feedback

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

Leadership	25	Implementation	0	Results	65
Visibility	65	Means & resources	0	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

HRT2.4 Non-discrimination

(score: 18, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Code of Ethics.
The company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- race / ethnicity / nationality
- social background
- religion
- disabilities
- political opinion
- age
- sensitive medical conditions.

Ownership of commitment

It is unclear who is responsible for the company's commitment.

Means allocated

Information obtained from company and public sources regarding systems in place to address discrimination issues is insufficient. Of note, FSAA reports that it has implemented a "Workplace Inclusion Programme", which aims at promoting the inclusion of individuals with disabilities within its workforce. The company also states that it has set up a system of sanctions in case of non-respect with its diversity policy. However, no further information has been disclosed regarding the content of these measures.

Coverage

Results in terms of gender distribution

The company does not disclose quantitative data on performance indicators such as the share of women in management positions. Of note, according to the company, in 2015, 12% of its total workforce were women.

Results in terms of employment of persons with disabilities

The company does not disclose quantitative data on performance indicators such as the share of employees with disabilities 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.

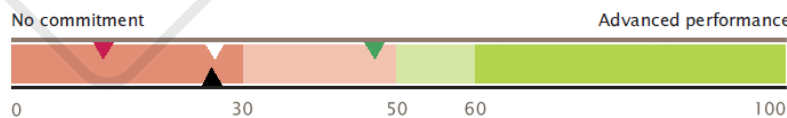
Leadership	39	Implementation	0	Results	16
Visibility	65	Means & resources	0	Performance	65
Relevance	65	Scope	N/A	Trends	0
Ownership	0	Coverage	0		

Community Involvement

Score : 23

CIN1.1 Promotion of the social and economic development

(score: 26, weight: 2)



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

Visibility of the policy

The visibility of the company's commitment to promote local social and economic development is insufficient.

Relevance of commitment

Ownership of commitment

Means allocated

The company has allocated some means to address social and economic development, including:
- training programmes: FSAA has implemented a two-year programme geared toward the education of young people for a technical career as a Caterpillar equipment mechanic. The tuition fees for this programme are paid by the company, and students repay the company once they are employed. FSAA also offers the "Sowing your future" programme to young people coming from low-income families in a neighbourhood of Lima. The students are offered scholarships to attend the National Center for training in industrial jobs.

Geographical coverage

There is no evidence that these programmes have been implemented in a majority of the locations wherein the company is present.

Performance trend

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

Transparency of tax reporting

The Company reports significantly on taxes paid. Reporting covers:
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone

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

The Company operates in Belize, considered as an IMF 'offshore financial centres', and it justifies its presence in it. FSAA acquired in 1998 the Caterpillar distributor in the country and has been operated as a subsidiary since then.

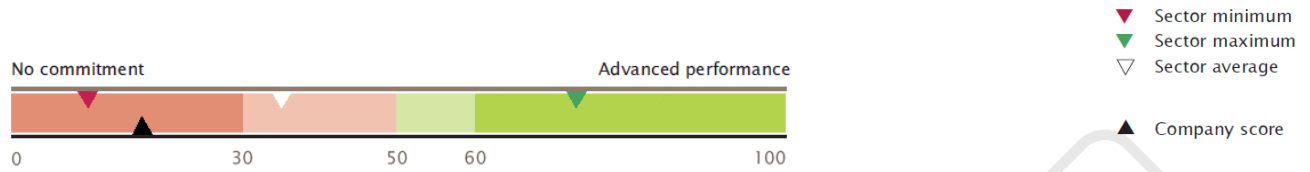
Stakeholders' feedback

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

Leadership	0	Implementation	30	Results	48
Visibility	0	Means & resources	30	Performance	65
Relevance	0	Scope	N/A	Trends	0
Ownership	0	Coverage	30		

CIN2.2 Contribution to general interest causes

(score: 17, weight: 1)



Relevance of commitment

Although the company has not issued a formalized commitment to contribute to general interest causes, it has told Vigeo Eiris that its initiatives address issues such as:
- Art and Culture
- Social assistance

Ownership of commitment

Means allocated

The company has allocated significant means to general interest causes, including:
- financial support: Ferreycorp reports that it seeks to contribute to Peru's development through the financing and execution of public investment projects, under the Obras por Impuestos (Works for Taxes) scheme. In 2015, FSAA contributed to the execution of a project under this scheme, for the purpose of improving and expanding drinking water, sewer and wastewater treatment services in some districts of Yauli, Peru.
- allowing staff time: FSAA's employees perform volunteer work, in particular with the aim of improving local schools.

Geographical coverage

These measures appear to have been taken mainly in Peru.

Trend in contributions to general interest causes

The company does not report indicators on contributions to general interest causes over time.

Leadership	0	Implementation	51	Results	0
Visibility	N/A	Means & resources	N/A	Performance	N/A
Relevance	0	Scope	N/A	Trends	0
Ownership	0	Coverage	30		

Business Behaviour (C&S)

Score : 36

C&S1.1 Product Safety (process and use)

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

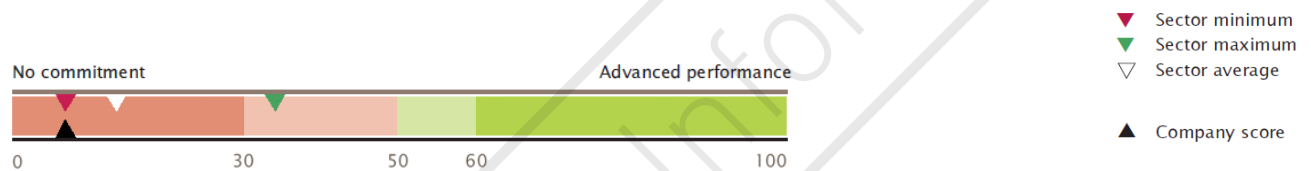
C&S2.3 Integration of environmental factors in the supply chain

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

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

(score: 7, weight: 2)



Visibility of commitment

The company does not disclose any commitment to include social factors in supply chain management.

Of note, the company states in its 2015 Annual Report that it has a procurement policy on selecting suppliers that consider ethical matters and compliance with labour legislation. However, this policy is not publicly available.

Relevance of commitment

Ownership of commitment

Means allocated

Information obtained from company and public sources regarding measures to include social factors in supply chain management is insufficient.

Coverage

Audits of suppliers

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

Share of corrective measures / problems uncovered

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

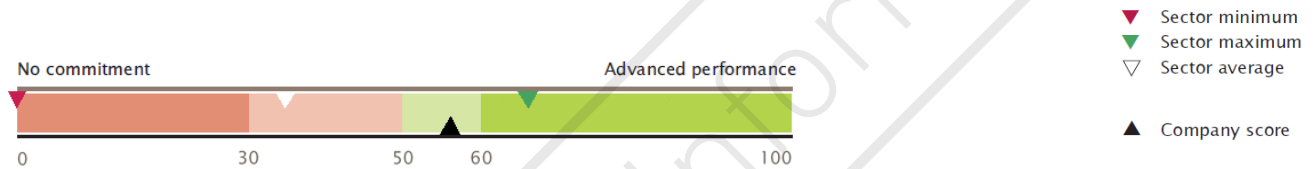
Stakeholders' feedback

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

Leadership	0	Implementation	0	Results	22
Visibility	0	Means & resources	0	Performance	22
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

C&S3.1 Prevention of corruption

(score: 56, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to preventing corruption in its Code of Ethics. Of note, the company reports also that it has a manual for the prevention of money laundering, however this document does not appear to be publicly available. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to preventing corruption addresses only part of its responsibilities:
 - active/passive bribery
 - gifts and invitations
 - money laundering
 - conflicts of interest.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.
FSAA told Vigeo that there are an Ethics officer as well as a Compliance officer in charge of ensuring that its commitment is respected throughout its operations. Both officers report to the company's corporate affairs manager.

Involvement of employees

The company has instituted formal training programmes for relevant employees on corruption prevention.
FSAA reported in its answer to Vigeo, that it has implemented an online course on its Code of Ethics, as well as lectures on the issue addressed to its sales people.

Means allocated

The company has set up internal controls to prevent corruption that include:
 - a reporting system that can be used to report suspicions of fraud and corrupt practices. However, there is no information on whether it is confidential or not.

Coverage The measures implemented cover all significant parts of the company.

Reporting *The company told Vigeo that over the past three years, no case of corruption has been reported through its internal system.*

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	48	Implementation	42	Results	77
Visibility	65	Means & resources	48	Performance	77
Relevance	30	Scope	N/A	Trends	N/A
Ownership	65	Coverage	30		

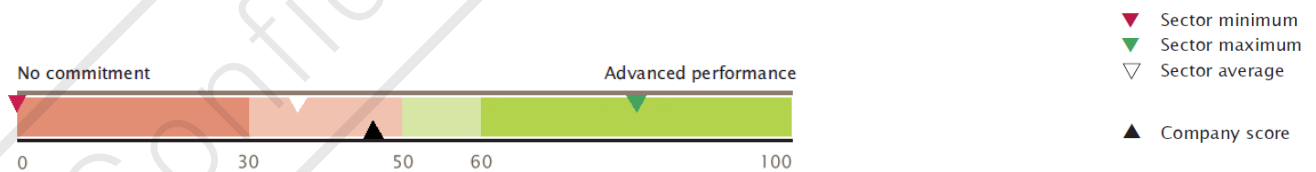
C&S3.2 Prevention of anti-competitive practices (deactivated)

This Sustainability Driver is only analysed for large Companies in the Industrial Goods & Services Emerging Market sector: it is therefore not analysed for FSAA.

Corporate Governance

Score : 37

CGV1.1 Board of Directors (score: 46, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

No executive is a member of the committee, but half or fewer are independent. 2 members of the 5-member Nomination, Remuneration and Corporate Governance Committee are considered independent.

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

The head of Corporate Communication is in charge of FSAA's social responsibility issues and reports directly to the CEO.

Share of independent shareholder-elected Board members

The Board is between 21 and 33% independent, which is less than the recommended level.
3 members of the 10-member Board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:
- Board members with demonstrated professional experience in the company's sector of activities: There are several directors with experience in the mining industry, which is the main client industry for the company;
- Board members with demonstrated expertise on CSR issues : Carmen Rosa Graham is the president of the association "Woman Corporate Directors Peru" and is a consultant on Corporate Governance issues.

Training and expertise provided to board members

Training is provided through regular updates, but it does not cover CSR issues. Training is provided upon joining the Board. In addition, members of the Board participate in the "Liga de directores", a platform through which directors of Latin America can exchange know-how and advices.

Regular election of Board members

Board members are elected at least every three years and these elections are not staggered.
Board members are eligible for re-election following 3-year terms.

Evaluation of Board's functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.

Review of CSR issues at Board meeting

The 2015 Annual Report contains an appendice that is the Company's Corporate Sustainability Report of the year. The Annual Report is signed by the Company's Chairman. However there is no evidence that relevant CSR issues are reviewed at Board meetings.

Regularity of and attendance at Board meetings

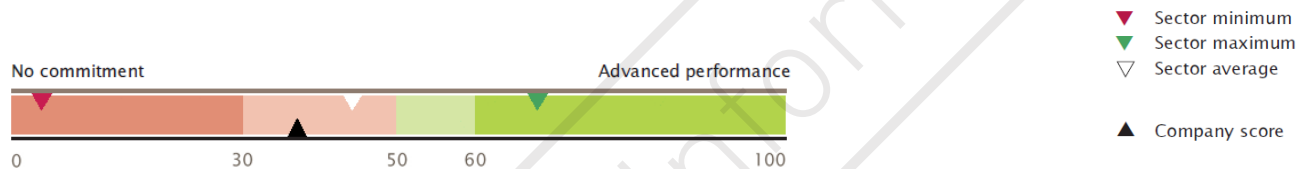
Regular meetings are held, and attendance rates are above 90%
14 Board meetings were held during the last fiscal year 2015, with a rate of attendance of 91.5%

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	Independence
Oscar Espinosa	Chairman				X	X	X		X					
Carlos Ferreyros	Vice chairman Chairman Remuneration Nomination Committee				X	X	X		X					
Ricardo Briceño														X
Manuel Bustamente						X						X	Director of La Positiva Vida	
Aldo Defilippi					X		X		X					

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	Independence
Carmen Rosa Graham					X	X	X							X
Eduardo Montero									X					
Juan Manuel Peña									X			X		
Raúl Ortiz					X		X							X
Andreas v. Wedemeyer	Chairman Audit Committee					X			X					

CGV2.1 Audit & Internal Controls

(score: 37, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

No executive is a member of the committee, but half or fewer are independent. 1 member of the 5-member Audit and Risk Committee is considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial experience and relevant operational experience.

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.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks

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

Independence of the firm's external auditors

The audit firm does not receive significant non-audit fees.

Inclusion of CSR issues in the company's reporting

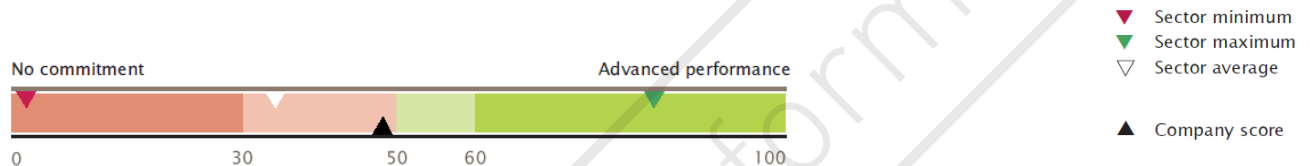
The company does not publish any significant CSR reporting on the key material issues for its sector.

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: 48, weight: 2)



Nonexistence of voting rights restrictions

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

Nonexistence of anti-takeover devices

There is no reference to anti-takeover devices in the company's reporting.

Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.
Only shareholders or groups of shareholders that own a total of 5% of shares or more can convene an EGM.

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.
It appears the following items are not put to a vote at the AGM:
- Board fees
- Executive remuneration.

Presentation of CSR strategy to shareholders and investors

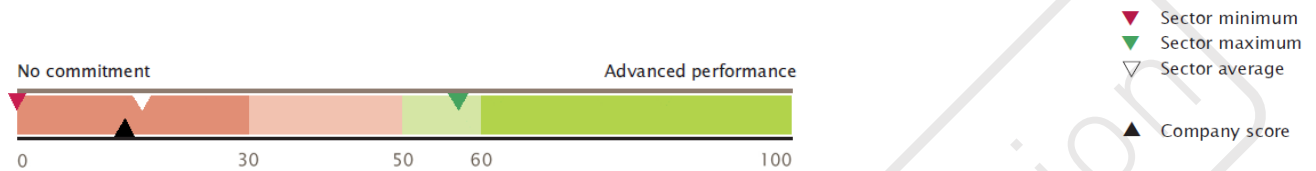
Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient. Of note, the Annual Report is presented to the investors, which contains a section on the company's progress in terms of CSR, notably on topics such as climate change and health and safety.

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: 14, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

No executive is a member of the committee, but half or fewer are independent. 2 members of the 5-member Nomination, Remuneration and Corporate Governance Committee are considered independent.

Disclosure of senior executives' individual remuneration

Executive remuneration is disclosed, but on a collective rather than on an individual basis.

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

Bonuses are said to be linked to predetermined economic and operational performance indicators, but these are not disclosed. FSAA reports that indicators linked to the company's results as well as the executive's performance are taken into account.

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. Of note, the company states that it does not pay its executives in stock options.

Link between variable remuneration and CSR performance of the company

Variable remuneration is said to be linked to CSR performance objectives, but these are not disclosed. FSAA reports that, amongst the corporate objectives that are used for determining executives' variable remuneration, there are some linked to the company's performance in terms of CSR management, however no further details are provided

Severance pay for senior executives

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

Evolution of CEO-to-employee compensation ratio

Information obtained from 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

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Allegations and controversies

Domain Sustainability driver

Page

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Detailed Scores And Ratings

Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2016/10	=	++	=	=	+	=
2015/09	-	--	--	--	--	+

Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	19	10	20	19
Human Resources	51	30	63	61
Human Rights	25	31	0	44
Community Involvement	23	0	37	32
Business Behaviour (C&S)	36	29	25	55
Corporate Governance	37	51	19	41

Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	36
	2	D/A
Environment 2	1	D/A
	2	27
	4	D/A
Environment 3	1	0
Sub-domain	Criterion	Score
Human Resources 1	1	D/A
	3	49
Human Resources 2	4	51
	2	54
Sub-domain	Criterion	Score
Human Rights 1	1	30
	1	30
Human Rights 2	4	18

Sub-domain	Criterion	Score
Community Involvement 1	1	26
	2	17
Business Behaviour (C&S) 1	1	D/A
	3	D/A
	4	7
Business Behaviour (C&S) 2	1	56
	2	D/A
Sub-domain	Criterion	Score
Corporate Governance 1	1	46
	1	37
Corporate Governance 2	1	48
	1	14

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
INE423A01024 Adani Enterprises Ltd.	=	=	-	++	=	+	28
PHY003341054 Alliance Global Group Inc.	-	-	-	-	=	=	18
ZAE000026639 Barloworld Ltd.	++	++	++	++	++	++	49
CNE100000BGO China Railway Rolling Stock Corp (CRRC)	-	=	-	-	-	+	22
HK0267001375 CITIC LIMITED	=	=	=	+	=	+	27
KR7047050000 Daewoo International Corp.	-	-	=	-	=	--	12
KR7034020008 Doosan Heavy Industries & Construction Co. Ltd.	+	+	=	+	+	=	28
TW0001402006 Far Eastern New Century Corp.	+	+	+	=	+	=	33
MXP461181085 Grupo Carso S.A.B. de C.V. Series A1	=	=	=	=	=	-	19
KYG4232C1087 HAITIAN INTL HLDGS	-	--	-	-	-	=	15
KR7000880005 Hanwha Techwin	-	-	-	=	-	--	12
KR7009540006 Hyundai Heavy Industries Co. Ltd.	+	+	=	+	=	=	28
KR7010140002 Samsung Heavy Industries Co. Ltd.	+	++	+	=	=	-	28
INE003A01024 Siemens Ltd.	=	=	++	+	+	=	33
MYL419700009 Sime Darby Bhd	=	=	+	+	+	+	30
KR7003600004 SK Holdings Co. Ltd.	-	-	-	+	=	=	16
KR7001740000 SK Networks Co. Ltd.	-	-	-	-	--	-	12
ID1000058407 United Tractors	=	=	-	=	=	+	27
CNE1000004X4 Zhuzhou CSR Times Electric Co. Ltd.	=	=	-	+	=	-	23
CNE100000X85 Zoomlion Heavy Industry Science and Technology Co	-	-	-	-	-	+	22
PEP736001004 Ferreycorp	=	++	=	=	+	=	33

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Sector Lead: •

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