



PwC TLS

Avvocati e Commercialisti

# Tax Transparency Report Peru - 2021

April 2022

The Enel logo, consisting of the lowercase letters 'enel' in a white, sans-serif font with a slight shadow effect, set against a dark background.

enel

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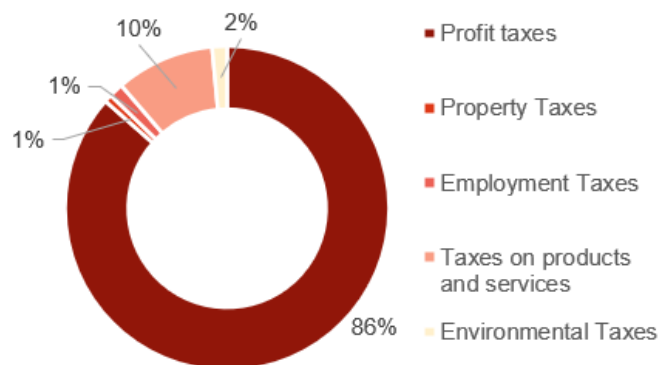
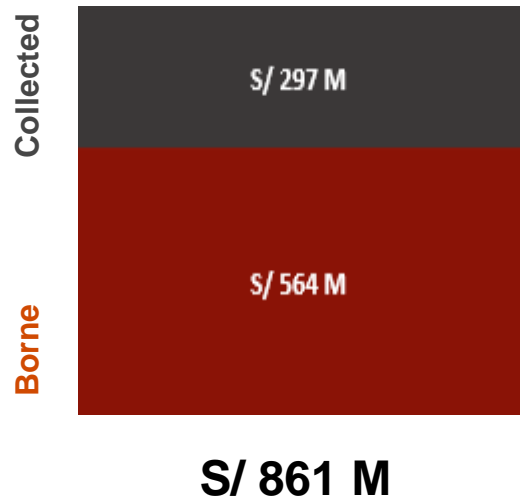
# 1. Executive Summary



# Executive Summary

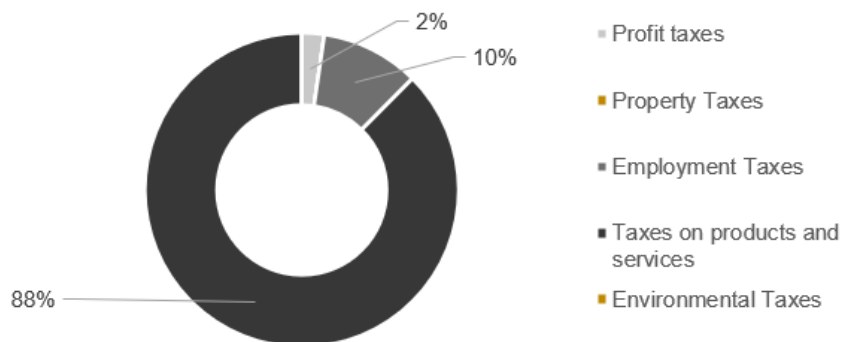
## Total Tax Contribution in 2021

Total Tax Contribution (**Total Tax Contribution or TTC**) of the Enel Group in Peru (also referred to as Enel, Enel Peru or Company) in 2021 amounted to **Soles 861 million\***, with a increase of **22%** compared to 2020. In 2021, **66%** of the Total Tax Contribution corresponds to taxes borne and the remaining **34%** to taxes collected.



### Taxes borne in 2021

**Taxes borne** by Enel in 2021 amounted S/ 564 M.

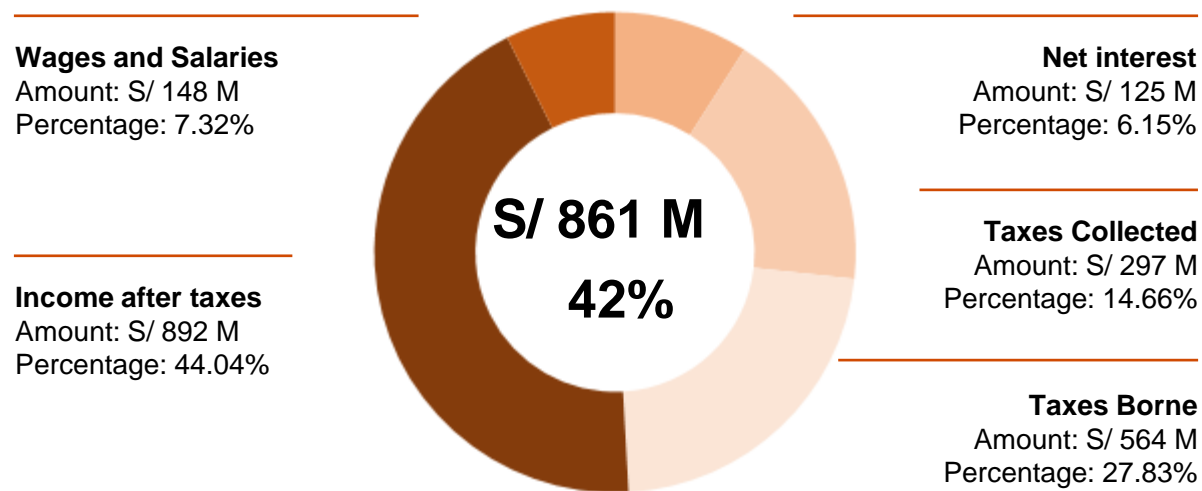


### Taxes Collected in 2021

**Taxes collected** by Enel in 2021 amounted S/ 297 M.

# Executive Summary

## Distributed Tax Value<sup>1</sup> in 2021



**38%**  
Total Tax Contribution Rate in 2021

Enel had a Total Tax Contribution Rate (TTCR) of **38%** in 2021 and 31% in 2020. TTCR reveals the share of taxes borne on total profit before taxes borne.

Enel has paid to the public administrations around **42% of the value distributed<sup>1</sup> in 2021** in the form of taxes either borne or collected.<sup>2</sup>

Distributed tax value of Enel increased by approximately 15% in 2021 compared to the previous year.<sup>3</sup>

For every **S/ 100** of value distributed, **S/ 42** were used for payment of taxes each year.

[1] The concept of "Value distributed" is explained on page 23.

[2] Payments to the public administration based on the distributed tax value were increased by 2% in 2021 compared to the previous year. In 2020, these payments represented 40% of the tax value distributed, while in 2021, these payments represented 42% of the tax value distributed.

[3] In 2021, the distributed tax value amounted to S / 2.0 MM, while in 2020 it was S / 1.7 MM.

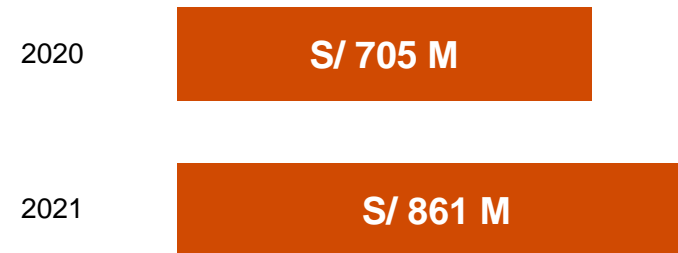
# Executive Summary

## Tax Contribution of Enel with respect to turnover in 2021



In 2021, taxes paid to the public administrations represented 15% of the total revenues generated\*. For every S/ 100 of revenue generated, S/ 15 were used in payment of taxes, of which S/ 10 were taxes borne and S/ 5 were taxes collected.

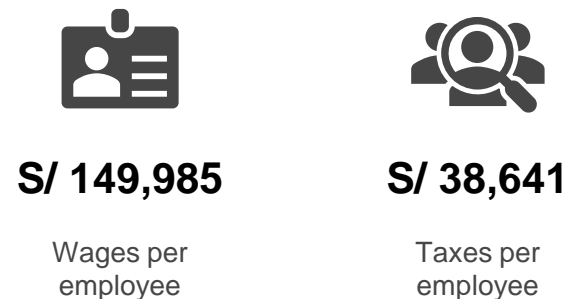
## Trend in TTC 2020-2021



In 2021, Enel's **Tax Contribution** increased by **22%** compared to 2020.

This trend is attributable to the increase of **S/ 171 M** in taxes borne and a decrease of **S/ 15 M** in taxes collected.

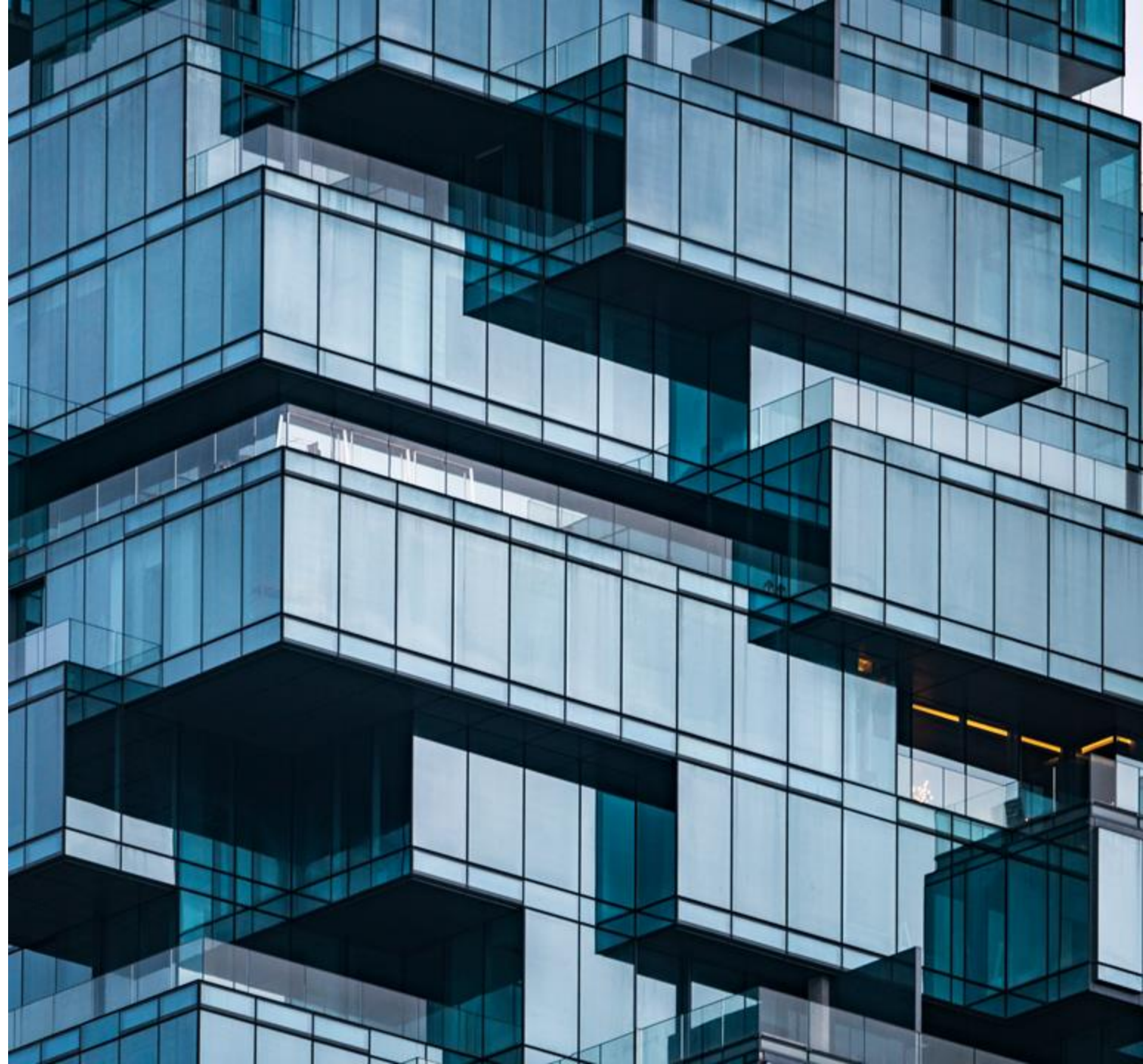
## Wages and Taxes per employee in 2021 v. 2020



In 2021, annual Wages per employee and taxes per employee amounted to S/ 149,985 and S/ 38,641 respectively.

Compared to 2020, the annual wages per employee has decreased by 10% while the annual taxes paid per employee also decrease by 7%.

## 2. Background and purpose of this report and methodology



# Background and purpose of this report



*The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with values of honesty and integrity.*

## Purpose and scope

The PwC global network through its different studies is eager to create, maintain, and strengthen links between companies and governments as well as between companies and society. While the actions of companies, regardless of their industry sector, are increasingly put under scrutiny, it is essential to facilitate the dialogue between different stakeholders, promote strong values and principles and innovate by sharing analyses and ideas.

The aim of this report is to obtain and analyse the Total Tax Contribution data of Group Enel Peru (hereinafter Enel or the Company or The Group) for 2021. The Group includes the following companies: Enel Generación Perú S.A.A., Enel Perú S.A.C., Enel Distribución Perú S.A.A., Enel Generación Piura S.A.A., Chinango S.A.C., Enel Green Power Perú S.A., Energética Monzón S.A.C., Proyectos y Soluciones Renovables S.A.C., Compañía Energética Veracruz S.A.C., Empresa de Generación Eléctrica Marcona S.A.C., Enel X Peru S.A.C. and Empresa de Generación Eléctrica Los Pinos S.A.<sup>1</sup>

The data for 2021, and the analysis of contribution profiles and certain indicators have been compared with the equivalent data for 2020, and a study made of the trend reflected.

The contribution made by major sectors of activity to the public purse in the jurisdictions in which they are present, and the way in which their tax contribution is distributed, are currently central topics of socio-economic debate.

<sup>1</sup> Enel Green Power Peru S.A., Energética Monzon S.A.C., Proyectos y Soluciones Renovables S.A.C, Empresa de Generacion Electrica Marcona S.A.C. are renewable companies which have a functional currency in united states dollars. Their financial statements in soles are being used for these purposes, as the local legislation requires that the accounting books must be registered in soles.

In this context, regarding the tax strategy of Enel which is declared to public and shared in the official website of the company, compliance with the tax legislations in which Enel operates carries an utmost importance for the company.

Fully aware of the fact that the tax revenue is one of the main contributors of the economic and social development in the regions in which the Group operates, Enel gives great importance to tax reporting and transparency.

Enel has decided to publish this Total Tax Contribution Report to show the importance the Company attaches to tax matters and the extent of its commitment to its main stakeholders. Information available in this report renders it possible to identify measure and communicate the business asset, which is Enel's tax contribution, so that it can have a significant impact on its reputational value. The purpose of this report is to enlarge the concept of Corporate Social Responsibility and to reveal the value of the social function deriving from Enel's tax contribution.

The way in which the tax information is provided in this report intends to make it more versatile and facilitate its integration so that it can be presented in accordance with the different parameters required by different stakeholders.



# Background and purpose of this report

The data compiled by PwC includes information received from Enel obtained from its own IT system and its internal working procedures. Our work has consisted of the analysis of the information supplied by Enel and verification of the consistency of the trends and figures reflected. Their origin has been neither verified nor audited.

In relation to the above, this report is based on the tax contribution figures provided as at 17<sup>th</sup> of March 2022. Our fieldwork was concluded on 17<sup>th</sup> of March 2022, and there could be significant events that have taken place since this date, which would not be reflected in this report.



## Methodology

The Total Tax Contribution (hereinafter TTC) methodology measures the total impact of the payment of taxes by a company. This valuation takes into account the total contribution of taxes paid to different Administrations, either directly or indirectly, as a result of Enel's economic activity.

The key points to be borne in mind in relation to this methodology are:

### **1. It distinguishes between those taxes that constitute a cost for Enel and those taxes that it collects**

**Taxes borne** are the taxes that Enel has paid to the Administrations of the different jurisdictions in which it operates. These are taxes that represent an effective cost for the Company, e.g. Corporate Income Tax.

**Taxes collected** are those that have been paid in because of Enel's economic activity but without entailing a cost to the company other than their management.

These are nevertheless amounts which are paid into the public purse as a result of Enel's economic activity and should therefore be taken into consideration when analyzing its tax contribution. Taxes withheld on the earned income paid to workers are one example of what we refer to as a tax collected. They constitute tax revenues obtained by the Administration thanks to the economic value generated by Enel.

In this respect, the TTC methodology is consistent with the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability"), and as "collectors" of taxes on behalf of others ("Legal Remittance Responsibility") as reflected in working paper no. 32. "Legal tax liability, remittance responsibility and tax incidence".<sup>2</sup>

In the TTC 2021, IT withholdings made to non-domiciled related companies have been excluded, as part of the change in the applied methodology.

<sup>2</sup>[https://www.oecd-ilibrary.org/taxation/legal-tax-liability-legal-remittance-responsibility-and-tax-incidence\\_e7ced3ea-en](https://www.oecd-ilibrary.org/taxation/legal-tax-liability-legal-remittance-responsibility-and-tax-incidence_e7ced3ea-en)

# Background and the purpose of this report

**2. Since taxes are known by different names in different countries, taxes borne and taxes collected have been grouped into 5 main categories:**

**(i) Profit taxes:**

This includes taxes borne on the income obtained by on companies, such as corporate income tax, the tax on economic activities and taxes collected in the form of withholding on payments made to third parties. It also includes IT assumed by the Company in financial services operations provided by non-domiciled related companies as “other taxes”.

**(ii) Property taxes:**

These are taxes on the ownership, sale, transfer or tenancy of property.

**(iii) Employment Taxes:**

Taxes linked to employment comprise both taxes borne and those collected, including personal income tax withholding on payments to employees and the social contributions payable by both the employee and the company.

**(iv) Taxes on products and services:**

There are indirect taxes levied on the production and consumption of goods and services, including VAT, customs, duties, etc.

**(v) Environmental taxes:**

Taxes levied on the supply, use or consumption of products and services which are considered to have an environmental impact.

The classing of taxes as environmental is based on the definition agreed upon for the purposes of the harmonized statistical framework developed jointly, in 1997, by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency (IEA), according to which environmental taxes *"A tax whose tax base is a physical unit (or a proxy of it) that has a proven specific negative impact on the environment. Four subsets of environmental taxes are distinguished: energy taxes, transport taxes, pollution taxes and resources taxes. Taxes should not be confounded neither with payments of rent nor with purchase of an environmental protection service"*.<sup>3</sup>

**3. It includes all tax payments made to Public Administrations**

When considering the figures reflected in this report, it should be borne in mind that they include tax payments made to Public Administrations in respect of items which, given historic or circumstantial reasons, they are not classified as such.

**4. It can be tailored to the specific circumstances of the organization**

In relation to the composition of Group Enel Peru and the calculation of its overall TTC, it should be borne in mind that:

This reports takes into account 100% of the tax contribution made by all Peruvian Enel companies. In relation to the overall amount of payments to the Administration taken into consideration for the purposes of this study, a list of all Peruvian taxes covered by this analysis is attached hereto illustration purposes in the form of an appendix.

**5. The special characteristics of Value Added Tax and equivalent taxes are taken into account**

**Value Added Tax (and equivalent taxes)** is classed as a tax on products and services collected, and its amount reflects the net payments made by Enel to the tax authorities of each of the jurisdictions in which it operates in the corresponding period.

<sup>3</sup> <https://stats.oecd.org/glossary/detail.asp?ID=6437>

# Background and purpose of this report

In view of the way in which VAT works, the figure presented in this respect for a particular country includes the positive amount paid in to the corresponding Tax Authority, arrived at by subtracting VAT deducted from VAT accrued.

If the overall calculation for the year for a particular country, the net figure arrived at by subtracting VAT deducted from VAT accrued is negative, owing to a refund, no figure is shown.

On the other hand, amounts of VAT which are not recoverable because the continuation of the value chain through the charging of output tax is not possible, are regarded as a tax on products and services borne, since they represent a cost for the company.

## 6. Main premises taken during the preparation of this report

**(i) Perimeter:** This report takes into account 100% of the tax contribution made by companies whose accounts are consolidated with those of the parent company by the full consolidation method or other Peruvian companies in which Enel has a significant presence, provided that it has been possible to obtain the necessary information. In particular, this report considers the tax contributions made by 12 entities in 2020 and 12 entities in 2021, aligned with the scope of the CbCR.

**(ii) Currency:** This report considers Soles as the currency to be referred.

### **(iii) Certain Economic Indicators:**

**1) Revenues:** Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of revenue of each entity in scope, excluding - as far as possible - revenues between related entities resident in the same country (i.e. in-country intercompany revenues).

**2) Wages and salaries:** Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of wages and salaries of each entity in scope, (excluding social security contributions, incentives or benefits). **In this case, the "number of employees" included in the report is the FTE as of the year-end.**

**3) Profit before Taxes:** Report considers data on profit before taxes which is provided as "EBT/ earnings before tax" in the local reporting (S/ 1416 M).

Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of profit before taxes of each entity in scope. **Note that the scope of companies included in the TTC reporting is aligned with the scope of the CbCR.**

The amount of profit before tax excludes intercompany dividends in order to avoid double-counting of the same income of various entities, if that income was distributed as dividends to Peruvian entities. Such calculation allows to reflect the objective amount of Profit before taxes at the country level, and to calculate the objective ETR since dividends are usually subject to beneficial tax treatment compared to the other types of income (so-called 'participation exemption' regime).

### 3. TTC of Enel Perú in 2021



# TTC of Enel Peru in 2021

## TTC of Enel Group in 2021 2021 Country Report

<b>Country</b>	<i>Peru</i>	<b>31/12/2021</b>
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Economic data	Amount (local currency)
Revenues	5,691,338,880
Wages and salaries	148,184,924
Number of employees	988
Income before tax	1,415,857,980
Income before tax borne	1,492,586,019
Total tax borne	563,808,142
Total tax collected	296,929,417
Income after tax	892,219,487
<b>Total Tax Contribution</b>	<b>860,737,559</b>

TTC indicators	Percentage
<sup>1</sup> TTC ratio	38%
<sup>2</sup> TTC in relation to revenues	15%
<sup>2'</sup> Taxes borne in relation to revenues	10%
<sup>2''</sup> Taxes collected in relation to revenues	5%
<sup>3</sup> Tax value distributed to society	42%
<sup>4</sup> Wages and salaries per employee	S/ 149,985
<sup>5</sup> Taxes paid per employee	S/ 38,641

- <sup>1</sup> Total taxes borne / Income before taxes borne
- <sup>2</sup> Total Tax Contribution / Revenue
- <sup>2'</sup> Taxes borne / Revenue
- <sup>2''</sup> Taxes collected / Revenue
- <sup>3</sup> Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)
- <sup>4</sup> Wages and salaries / Number of employees
- <sup>5</sup> Total taxes linked to employment (borne and collected) / Number of employees

# TTC of Enel Peru in 2021

	2021 local currency
<b>Taxes borne</b>	
<b>Profit taxes</b>	<b>487,581,187</b>
Corporate Income tax	487,080,103
Tax on Economic Activities	
Temporary Tax on Net Assets	
Other taxes	501,084
<b>Property taxes</b>	<b>4,353,026</b>
Tax on real property	4,548,146
Municipal Fees	1,931,394
Temporary Tax on Net Assets	- 2,126,514
<b>Employment Taxes</b>	<b>8,039,584</b>
Employer's social security Contribution	7,941,245
Other taxes	98,339
<b>Taxes on products and services</b>	<b>55,474,541</b>
Non deductible VAT/IGIC	-
Tax on the utilization of airspace, soil and subsoil	
Regulation contributions to public entities	53,771,243
Tax on Financial Transactions	1,277,379
Custom duties	425,919
Other public domain charges	
<b>Environmental taxes</b>	<b>8,359,804</b>
Tax on value of electricity generation	
Other environmental taxes (regional)	8,359,804
Tax on nuclear services	
Other taxes	
<b>TOTAL</b>	<b>563,808,142</b>

	2021 local currency
<b>Taxes collected</b>	
<b>Profit taxes</b>	<b>6,857,477</b>
Withholdings on payments to non residents (without PE)	5,611,240
Revenues from investment capital	1,176,386
Withholdings on payments to independent individuals	69,852
<b>Property Taxes</b>	<b>-</b>
Revenues from property investments	
<b>Employment Taxes</b>	<b>30,137,373</b>
Withholdings on earned Income	30,137,373
Employee social security contributions	
<b>Taxes on products and services</b>	<b>259,934,567</b>
VAT withholdings (Net position)	259,934,567
VAT drawdowns	
<b>Environmental taxes</b>	<b>-</b>
Taxes on electricity	
<b>TOTAL</b>	<b>296,929,417</b>

<b>Total Tax Contribution in Peru</b>	<b>860,737,559</b>
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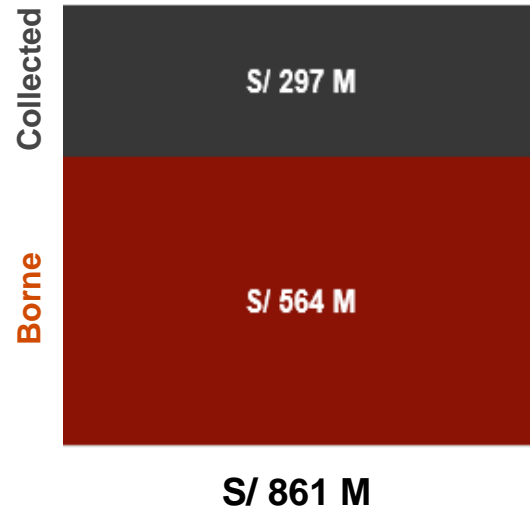
<b>Other regulatory payments</b>	-
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<b>Payment to energy fund</b>	
<b>Other</b>	

<b>Total payments to Public Authorities</b>	<b>860,737,559</b>
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# TTC of Enel Peru in 2021

## Analysis of the Total Tax Contribution in 2021



Enel's Total Tax Contribution in Peru amounted to **S/ 861 M in 2021**.

Of this, **66%** corresponds to **taxes borne** which represent a cost for the Company and the remaining **34%** corresponds to taxes collected by the Group owing to the pursuit of its economic activity.

### Trend in TTC 2020-2021

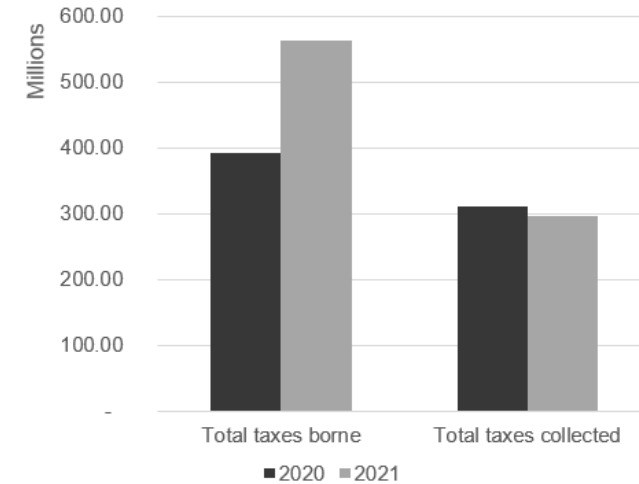


Chart 1. Evolution of Enel's Total Tax Contribution

#### Trend in total tax contribution

The amounts taken into account for the purpose of analysing the trend in Total Tax Contribution over the years 2020 and 2021 include taxes borne and collected by all Peruvian Enel Companies

Compared to 2020, in 2021 there was an increase in the total tax contribution. The difference is explained mostly on the reactivation of economic activity as a consequence of the lifting of the restrictions associated with Covid-19. Thus resulting in a higher income for the Enel Group and higher IT payments.

# TTC of Enel Peru in 2021

## Analysis of taxes borne in 2021

### Profile of Taxes borne

As has been indicated above, taxes borne by Enel in 2021 amounted to **S/ 563 M.**

**Corporate income tax borne** by Enel Peru amounts to **S/ 487.5 M,** accounting for **86% of total taxes borne.**

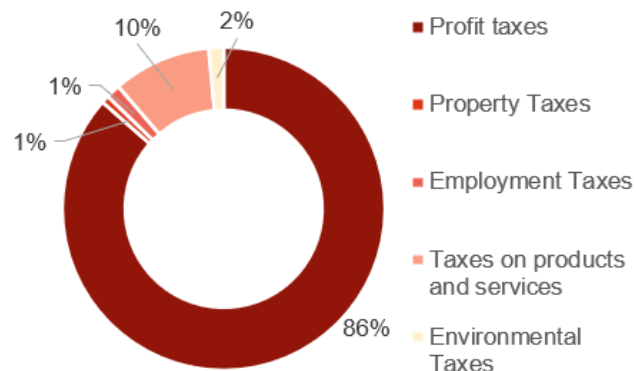


Chart 2: Type of taxes borne by Enel in 2021



It is **profit taxes** that feature most prominently, amounting to **S/ 487.5 M** and accounting for almost **86% of the total taxes borne.**

**Profit Taxes** include most notably, the payments made to the Tax Authority in respect of Corporate Income Tax and the IT payment assumed by EGP for the financial services provided by EFI, as “other taxes” for the amount of S/ 0.5 M.



**Employment Taxes account for 1% approximately** of Enel’s total tax contribution insofar as relates to taxes borne during the year. This amount comprises contributions amounting to **S/ 8 M approximately** paid to the Social Security authorities (or similar bodies) and other types of taxes.



**Property taxes** which include primarily Temporary Tax on Net Assets, Tax on Real Property and Municipal fees, **account for 1%** of total tax payments made by the Company corresponding to taxes borne and amount to **4 M.**



**Taxes on products and services** consist of the regulation contributions to public entities, tax on financial transactions and custom duties. They amount to **S/ 55.5 M,** accounting for **10% of total taxes borne.**



On the other hand, **environmental taxes,** which consist of payments of tax on the use of water, **account to 2%** of total tax payments made by the Company corresponding to taxes borne and amount to **S/ 8.3 M.**



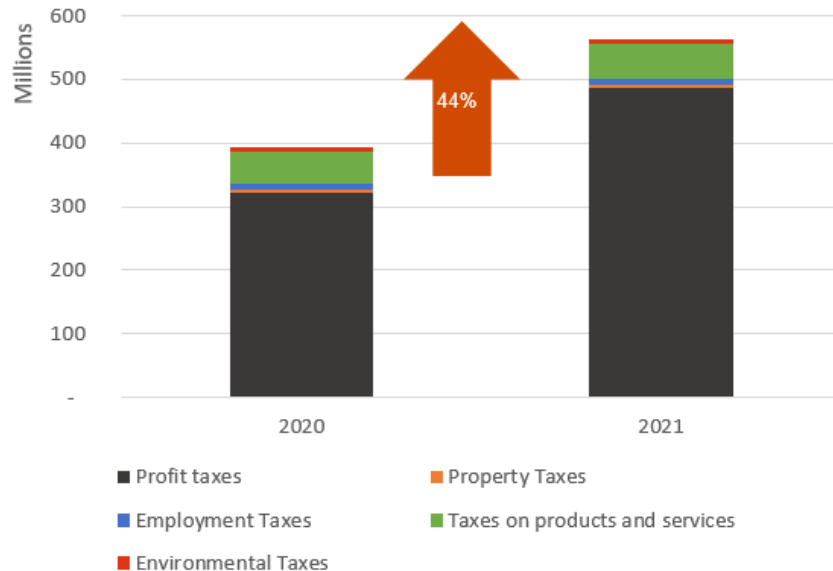
# TTC of Enel Peru in 2021

## Analysis of taxes borne 2021

### Trend in Taxes borne

Taxes borne reflect an **upward trend** over the past year, having risen by approximately **S/ 171 M**, which represents a increase in relative terms of **44%** in 2021 in relation to 2020.

Charts 3 and 4: Evolution of taxes borne by Enel



**Profit taxes:** In 2021, compared to 2020, there were no tax measures taken by the Peruvian Government to reduce or suspend payments on account due to the emergency situation generated by Covid-19. In this sense payments had to be complied with without exceptions. This meant a higher payment on account of S/ 53 million. Likewise, the increase in economic activity resulting from the lifting of the restrictions associated with Covid-19 generated an increase in Enel Peru's revenues, which led to an increase in income tax of S/ 41 M compared to 2020. Additionally, in March 2021 Enel Generación Peru and Chinango determined an IT for S/ 72 M this in comparison to 2020, in which was determined an IT balance in favor. These factors, among others, result in an increase of 51.14% in relation to 2020.



**Employment taxes:** increased in 5% in relation to 2020 for an amount of S/ 0.3 M. The variation is due to the increasing of number of employees.



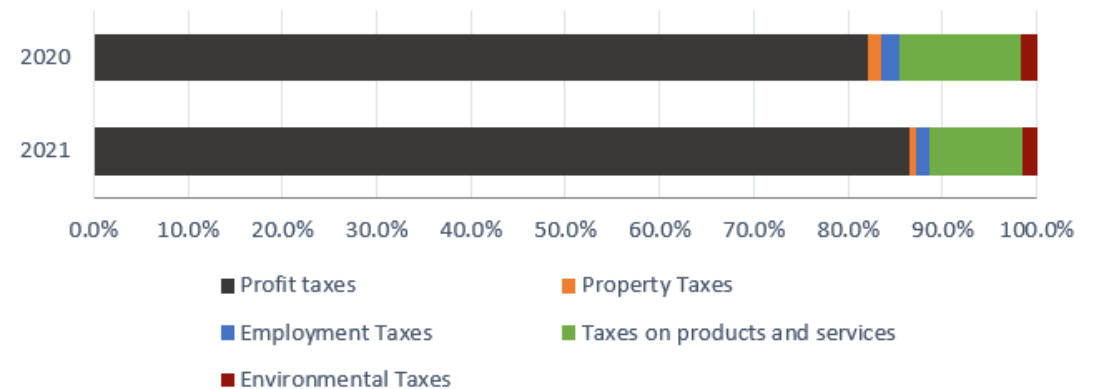
**Property taxes:** decreased in 13% in relation to 2020. This variation is mainly due to in 2021 Enel Green Power Peru and Enel Peru received an ITAN refund for S/ 2 M, in comparison to the ITAN refund in 2020 to Enel Peru and Energética Veracruz of only S/ 1.3 M.



**Taxes on product or service:** increased in 10% in compared to 2020. The variation mainly derives from the fact that Enel Distribución and Enel Generación Perú had a higher billing in 2021 compared to 2020 for the supply of energy, power and related services, which led to an increase in contributions of S/ 3.8 M and S/ 1.2 M, respectively.

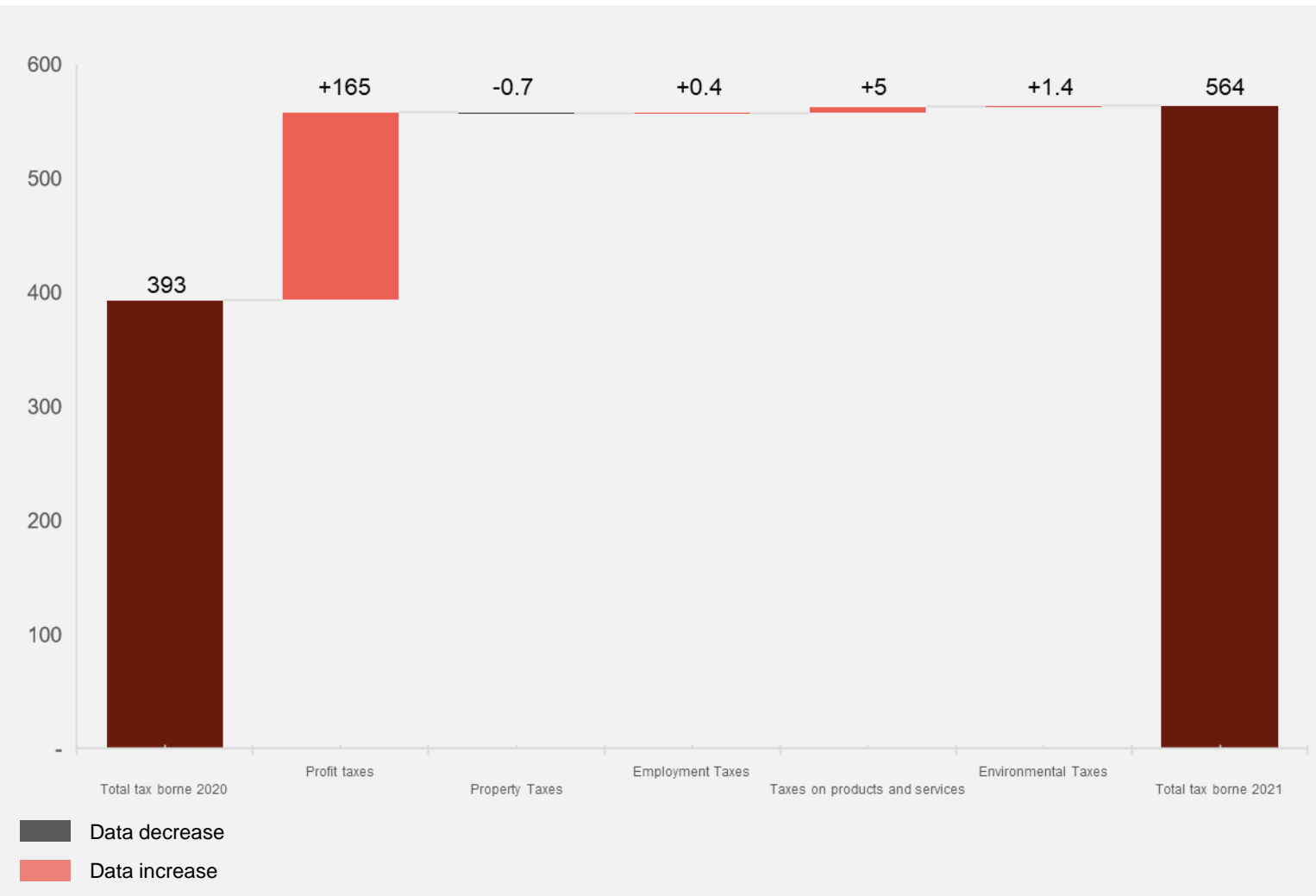


**Environmental taxes:** increased in 21% in relation to 2020. The payment of the canon for the use of water is directly associate to energy production in hydroelectric plants. During 2021 there was better hydroelectric conditions in the rivers Rímac, Tarma y Tulumayo. For that reason, their hydroelectric production was higher in relation to 2020.



# TTC of Enel Perú in 2021

## Ananalysis of taxes borne in 2020



Taxes borne in Peru en **2021** increase in relation to **2020**, in **44%**.

Compared to 2020, in 2021 there was an increase in the total tax contribution. The difference is explained mostly on the reactivation of economic activity as a consequence of the lifting of the restrictions associated with Covid-19. Thus resulting in a higher income for the Enel Group and higher IT payments.

These factors explain much of the variation in profit taxes between 2021 and 2020, a category that affected the total taxes borne in 2021.

# TTC of Enel Peru in 2021

## Analysis of taxes collected in 2021

### Profile of taxes collected

Taxes collected in the year amounted to a total of **S/ 297 M**.

Enel Peru paid **S/ 260 M** in **VAT** to the Public Administration in Peru, which accounts for **88%** of total taxes collected.

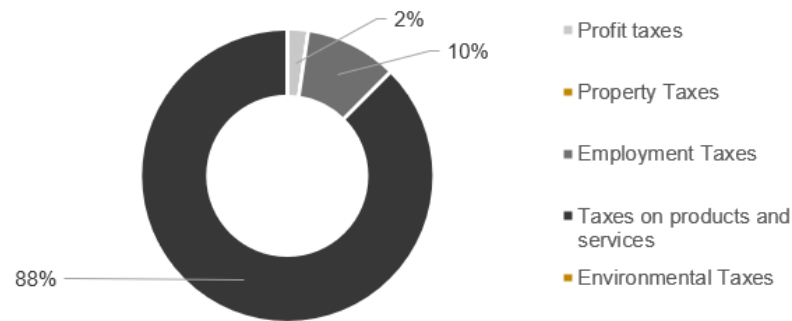


Chart 6: Types of Taxes Collected by Enel in 2021



**Profit taxes** account for **2%** of the total taxes collected and amounting to **S/ 6.8 M**. Profit taxes correspond to withholding on payments to non-residents without permanent establishments, revenues from investment capital and withholding to services rendered by independent individuals.



As can be seen from the chart, **taxes on products and services (VAT)** are the most important of the taxes collected by the Company during 2021, which account for **88%** of total taxes collected, amounting to **S/ 260 M**.



**Employment taxes**, account for **10%** of total taxes collected in 2021. Employment taxes include most notably withholding on the employee's earned income, amounting to **S/ 30 M** for the year.

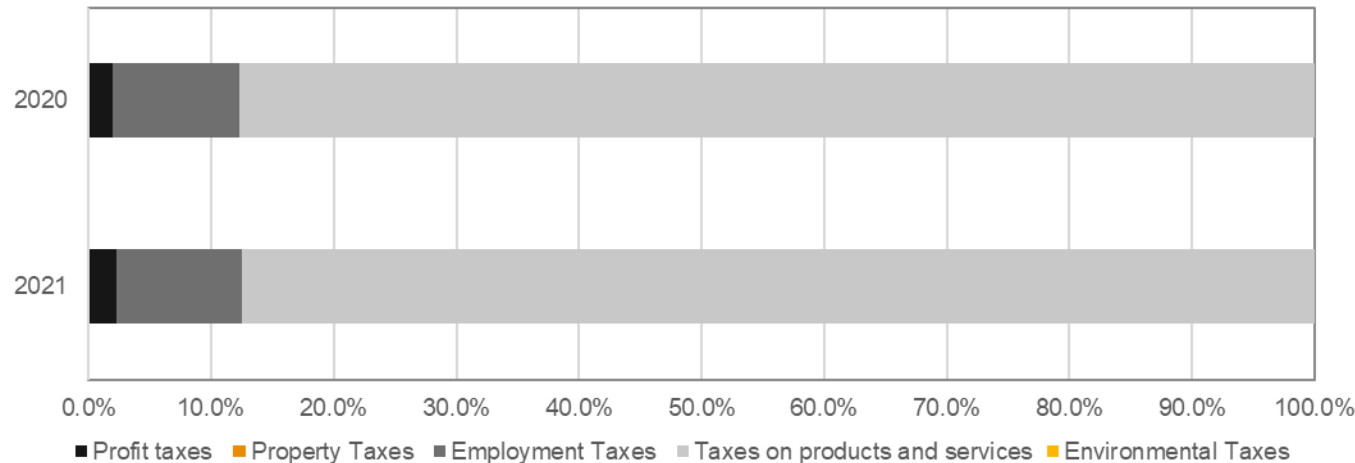
# TTC of Enel Peru in 2021

## Analysis of taxes collected in 2021

### Trend in taxes collected

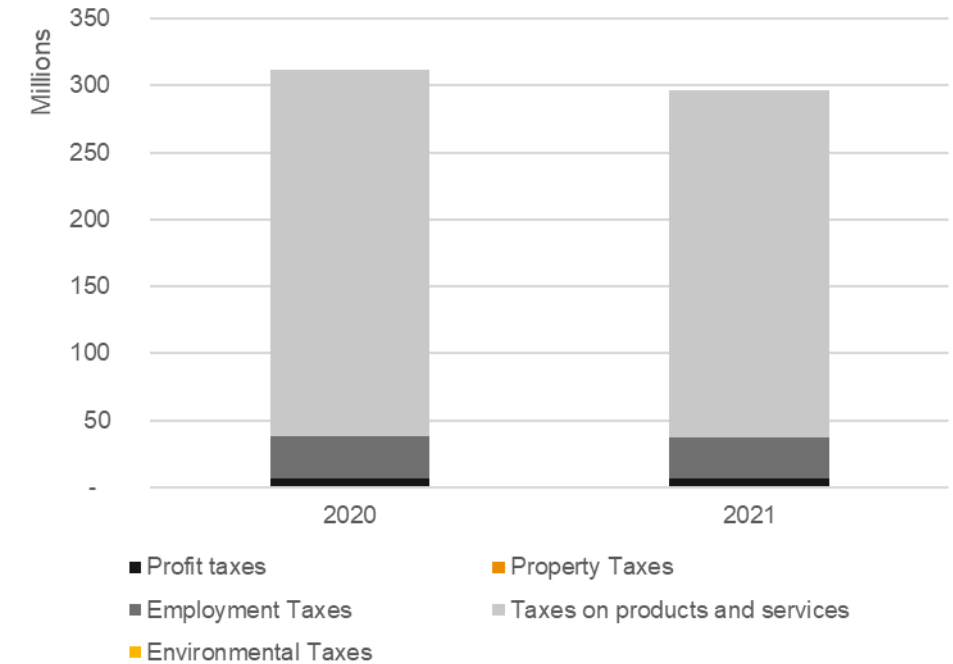
Taxes collected during 2021 have decreased by approximately **S/ 15 M**. This represents a **decrease, of 5%** with respect to 2020.

Chart 7: Evolution of the profile of taxes collected by Enel



**Profit taxes** have increased by **10%** with respect to the previous year, which amounts to **S/ 0.6 M**. The difference is mainly explained by higher dividends being distributed to shareholders in 2021 compared to 2020.

Chart 8: Evolution of taxes collected by Enel

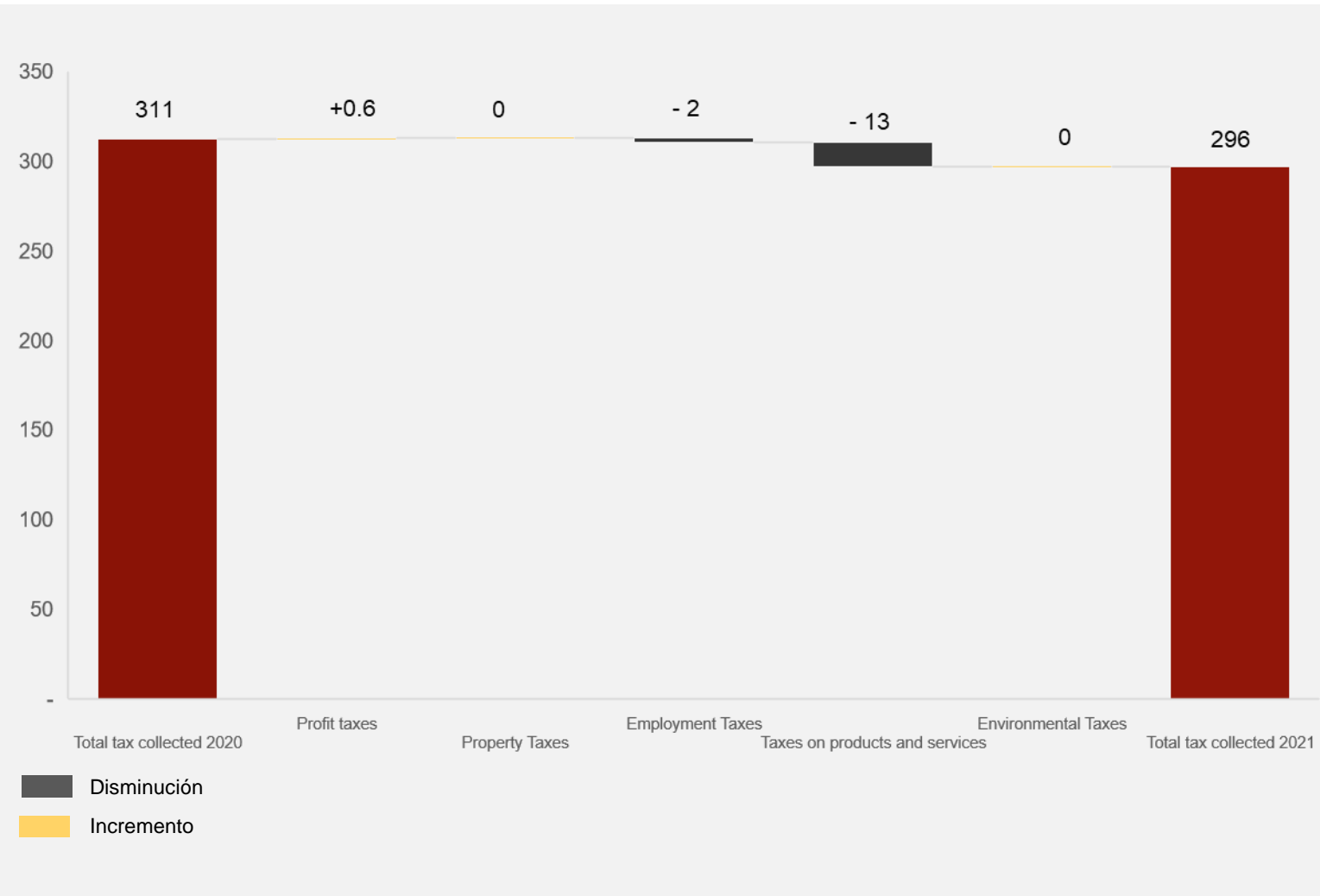


**Taxes on products and services** decreased in **5%**, which amounts to **S/ 13.5 M**. This is mainly due to the fact that in 2021, Enel Green Power Peru received a refund of S/ 31 M for balances of withholdings and perceptions of VAT that had not been applied. This difference is compensated with the increase in the payment of VAT as a result of the increase in the turnover of the Group companies in Peru, of S/ 21M. Likewise, unlike FY 2021, in 2020, Enel Distribucion made a higher payment of VAT for S/ 2.2M as a result of the regularization of VAT 2014.

**Employment taxes** decreased in **6%** from 2020 to 2021, which is equivalent to **S/ 2 M**. The variation is due to the following: (i) In 2020 unlike 2021, a bonus was granted to non-unionized workers as a result of the closing of the agreement, which increased the fifth category IT withholding by S/. 2.7 M, and (ii) Compared to 2020 in 2021, the fifth category IT withholding for profit sharing increased by S/. 0.6 M, as a result of a higher profit sharing.

# TTC of Enel Peru in 2021

## Analysis of taxes collected in 2021



Tax collected in Peru in **2021** decreased in relation in **2020**, in **4.79%**.

This is mainly due to the fact that in 2021, Enel Green Power Peru received a refund of S/ 31 M for balances of withholdings and perceptions of VAT that had not been applied. This difference is compensated with the increase in the payment of VAT as a result of the increase in the turnover of the Group companies in Peru, of S/ 21M. Likewise, unlike FY 2021, in 2020, Enel Distribucion made a higher payment of VAT for S/ 2.2M as a result of the regularization of VAT 2014.

These factors involve a reduction of S/ 13M, approximately.

# TTC of Enel Peru in 2021

## TTC Indicators

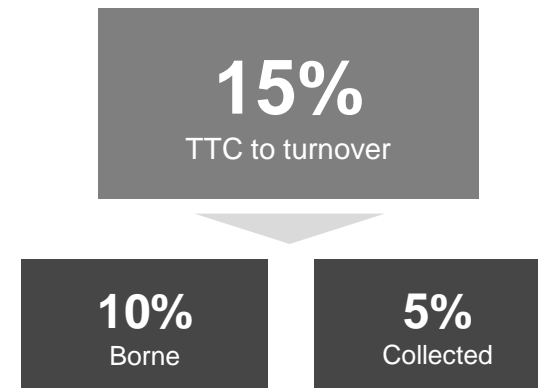
### TTC with respect to turnover



Enel pays Soles 15 in taxes for every Soles 100 of net revenues, of which Soles 10 represent a direct cost for the company.

TTC with respect to turnover is an indicator that reflects the extent of the contribution made by the Company in relation to the size of its business.

For Enel, the average Total Tax Contribution rate in relation to net revenues averages at **15%** for 2021. In other words, for every **Soles 100** of the Company's turnover, **Soles 15 are used to pay taxes**, of which **Soles 10** are taxes borne and **Soles 5** are taxes collected.



# TTC of Enel Peru in 2021

## TTC Indicators

### Tax value distributed to society



*“In 2021, 42% of the value generated by Enel Peru was used to pay taxes borne and collected.”*

The concept of distributed value refers to the contribution that the company makes to society in general.

According to the TTC methodology, the **Value Distributed** of a company is composed of the sum of the following elements:

- Taxes (borne and collected)
- Net interest
- Wages and salaries (net of taxes collected from employees)
- Profits retained for reinvestment or paid as dividends (as value distributed to shareholders).
- Taxes collected
- Taxes borne

The **Distributed Tax Value index** illustrates what percentage of the total value generated by Enel is used to pay taxes borne and collected to public administrations.

For the purposes of this calculation, the value to shareholders is represented by the amount of net profit after tax.

En 2021, the distributed value amounted to S/ 2.0 MM, of which S/ 861 M were distributed to different public authorities in the form of taxes borne and collected.

As can be seen from the chart, 42% of the value generated by Enel is destiny to the society through the payment of taxes borne and collected in Peru.

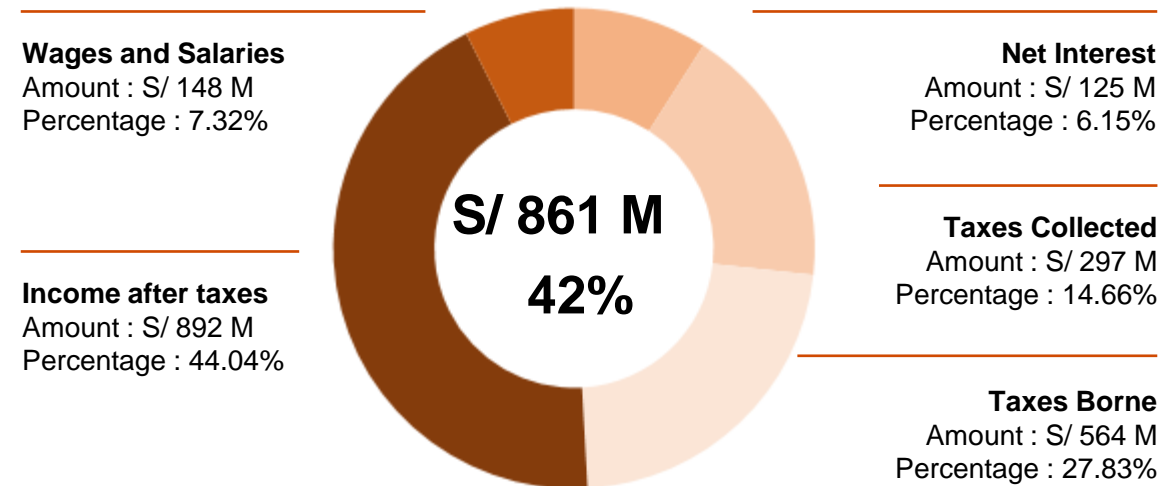


Chart 10: Tax Value Distributed by Enel in 2021

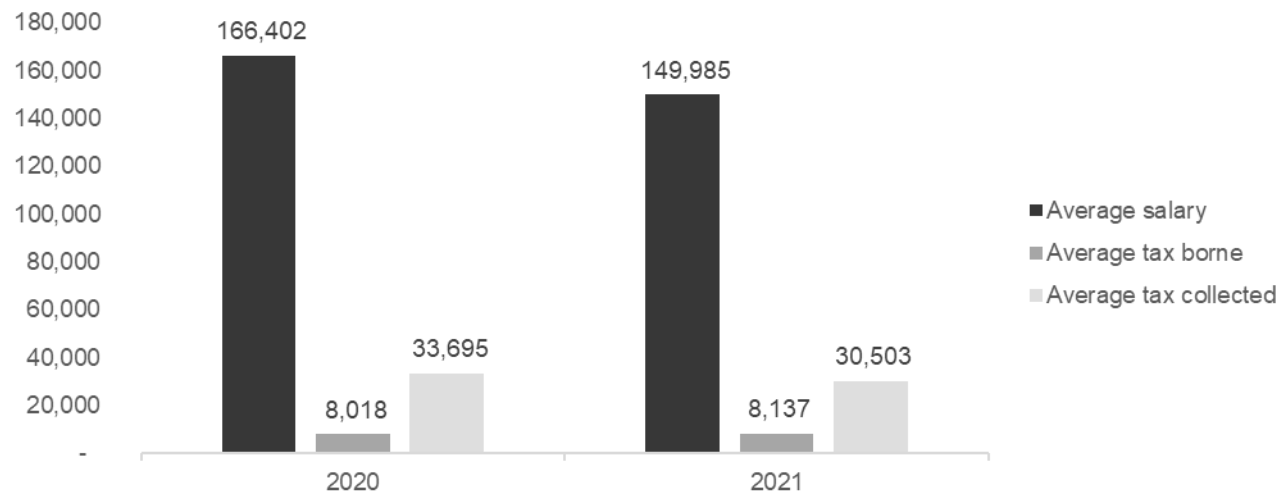
# TTC of Enel Peru in 2021

## TTC Indicators

### Taxes paid in respect of wages and salaries per employee

Taxes paid in respect of **annual wages and salaries per employee** is an indicator that relates the level of employment to associated taxes. This indicator is calculated by dividing total taxes linked to employment (borne and collected) by the number of employees.

Chart 11: Trend in average salary and average taxes linked to employment in Enel



En 2021, Enel paid in employment taxes totaling **S/ 38,641** per employee. From this number, **S/ 30,503** correspond to taxes collected on payments to employees and **S/ 8,137** to taxes borne by Enel.

In relation to the average salary paid by Enel in Peru, which amounted to **S/ 149,985** in 2021, employment taxes borne and collected represented **26%**.



Employment taxes borne and collected have decreased in 7%, compared to 2020.

Wages and Salaries per employee has decreased by approximately 10% in 2021.



## 4. Comparative Indicators



# Comparative Indicators

## Corporate Income Tax Effective Rate

In the following pages, the **effective tax rate (ETR)** is analysed, as well as the factors effecting the difference between this rate and the nominal rate.

Effective Tax Rate (ETR) shall be calculated as the ratio of Corporate Income Tax as per P&L statements (and hence, calculated under accrual and not cash method) to Profit before taxes.

For the purpose of this document, the Profit before taxes and the Corporate Income Tax as per P&L statements are calculated by aggregating the data of P&L statements of each entity included in the scope of the TTC Report. Intercompany dividends have been excluded from this amount in order to avoid the double counting of income distributed as dividends and to make the figure more comparable.

In the following slide it was performed a comparison of ENEL's ETR with:

- The statutory tax rate in Peru. Potential deviations are explained.
- ETR of the main competitors of Enel on the Peruvian market.

# Comparative Indicators

## Comparison of the ETR of Enel Peru with the nominal tax rate

The benchmarks considered below for the purposes of comparison is the Corporate Income Tax effective rate of the companies competing in the energy distribution and generation industry in Peru with Enel; in the years 2020 and 2021.

Our methodology is based on the information publicly available; tax expense data is information which is published by companies in their individual annual accounts and this enables us to perform comparative analyses such as that contained in this section. What has been done it is a comparison between Enel Country's ETR and peers' ETR. (Effective Tax Rate).<sup>4</sup>

The rates are resulting from the following calculations for 2020 and 2021:

Year	Profit before taxes (M S/)	Income Tax	ETR (%)
2020	1,197,083	381,975	31.9%
2021	1,415,858	523,638	37.0%
2020 + 2021	2,612,941	905,613	34.7%

In relation to the difference between the nominal IT rate in 2021 (29.5%) and the effective tax rate (37.0%), there is a difference of 7.5%, which is related to factors from of the descriptions provided by the Enel Group in the reconciliation between the accounting result and the tax expense contained in the consolidated annual accounts.

The main reasons that explain the differences between the ETR of the Enel Group with respect to the nominal IT rate are the following: (i) non-deductible intercompany service expenses, (ii) non-deductible commercial energy losses, (iii) adjustment of prior years' deferred income tax related to the Curibamba project and (iv) fines and penalties. These adjustments represent an increase in the ETR rate compared to the nominal rate of approximately 7%.

<sup>4</sup> Methodology described in appendix V.

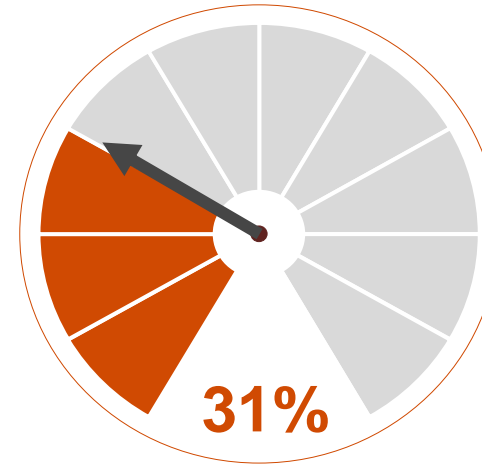
# Comparative Indicators

Trend in TTCR\* 2020 - 2021

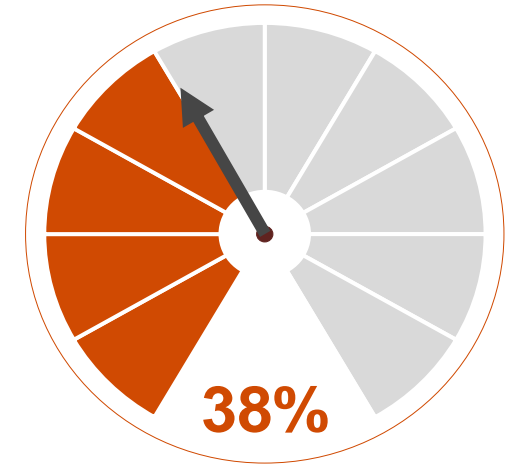
# +7%

In 2021, TTCR increased by 7% percentage points compared to 2020.

The trend is attributed to the 14% increase in the profits obtained in 2021 compared to 2020.



TTCR of Enel in Peru in 2020



TTCR of Enel in Peru in 2021

\*TTCR: Total Tax Contribution Rate (Total Tax Borne/ Income before tax borne)

# Comparative Indicators

Comparison of the ETR of Enel Peru with that of the comparable companies in the electricity sector (1/2)



In 2021, the Effective Tax Rate of Enel Peru was higher than the average effective tax rate of other energy market players in Peru for the same period.

In relation to the effective rate (ETR), calculated as the division between the income tax expense and the profit before taxes, the attached chart compares the effective tax rates of Enel Group with the average effective tax rate of nine companies in the energy generation and distribution industry (energy companies), calculated from their information available in the SMV<sup>5</sup>, Peruvian organism that regulates the information for public companies.

All the competitors that have a significant market share on the Peruvian electric energy market have been considered while performing the benchmarking study, provided that respective financial data have been available in public sources. Following page reveals the results of the benchmarking study.

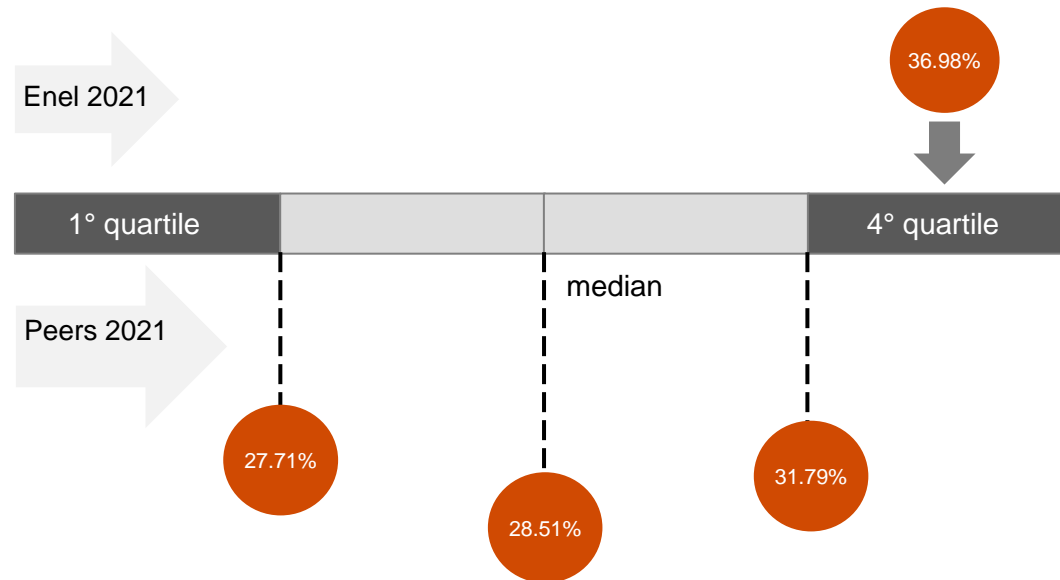
The information about Profit before Tax and Income Taxes was retrieved from the financial statements of the respective entities. Considering the data as of December 31, 2021.

For the sake of consistency, the ETR of Enel Peru for 2021 has been compared with the ETR of main competitors for the same period.

<sup>5</sup> Superintendencia de Mercado de Valores.

# Comparative Indicators

Comparison of ETR of Enel Peru with that of the comparable companies in the electricity sector (2/2)



The information about Profit before Tax and Income Taxes was retrieved from the financial statements of the respective entities. Considering the data as of December 31, 2021.

Also, in order to exclude extreme deviations in the ETR of similar companies, neither the peers who made losses nor those for whom the tax item represented income were taken into account (since, in these situations, the ETR shows a negative figure).

The list of competitors included (in the order of reduction of market share): Egesur, EGE San Gaban, Electroperu, Engie Energia Peru, Shougan, Electro Sur Este, Electro Dunas, Luz del Sur, and Electropuno.

The above chart shows that the average effective tax rate of the energy companies for 2021 is 28.51%, which is approximately 8.47% lower than the ETR for Enel Group for the period, which amounts to 36.98%

Enel Group's average ETR for the period 2020-2021 amounts to 34.7%. This is in line with the average rate of the SMV companies for the period 2020-2021, which is 29.36%.

## 5. Appendices



# Appendices

## Appendix I: 2021 and 2020 TTC summaries for Enel Peru

<b>Total payments made to public authorities Summary Enel Peru 2021</b>		
	Amount (S/ MM)	Percentage (%)
Taxes borne	564	66%
Taxes collected	297	34%
Total Tax Contribution	861	100%

<b>Total payments made to public authorities Summary Enel 2020</b>		
	Amount (S/ MM)	Percentage (%)
Taxes borne	393	56%
Taxes collected	312	44%
Total Tax Contribution	705	100%



# Appendices

## Appendix II: TTC Report of Enel Peru in 2020 (1/2)

TTC of Enel Group in 2020 2020 Country Report		
Country	Peru	31/12/2020
<b>Economic data</b>		<b>Amount (local currency)</b>
Revenues		5,006,021,410
Wages and salaries		158,747,795
Number of employees		954
Income before tax		1,197,082,654
Income before tax borne		1,273,750,209
Total taxes borne		392,732,489
Total taxes collected		311,868,802
Income after tax		765,049,560
<b>Total Tax Contribution</b>		<b>704,601,292</b>
<b>TTC indicators</b>		<b>Percentage</b>
<b>1</b>	TTC ratio	31%
<b>2</b>	TTC in relation to revenues	14%
<b>2'</b>	Taxes borne in relation to revenues	8%
<b>2''</b>	Taxes collected in relation to revenues	6%
<b>3</b>	Tax value distributed to society	40%
<b>4</b>	Wages and salaries per employee	166,402
<b>5</b>	Taxes paid per employee	41,713
<b>1</b>	Total taxes borne / Income before taxes borne	
<b>2</b>	Total Tax Contribution / Revenue	
<b>2'</b>	Taxes borne / Revenue	
<b>2''</b>	Taxes collected / Revenue	
<b>3</b>	Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)	
<b>4</b>	Wages and salaries / Number of employees	
<b>5</b>	Total taxes linked to employment (borne and collected) / Number of employees	

# Appendices

## Appendix II: TTC Report of Enel Peru in 2020 (2/2)

	2020 local currency
<b>Taxes borne</b>	
<b>Profit taxes</b>	<b>322,611,866</b>
Corporate Income tax	316,064,934
Tax on Economic Activities	
Temporary Tax on Net Assets	
Other taxes	6,546,932
<b>Property taxes</b>	<b>5,028,596</b>
Tax on real property	4,264,730
Municipal Fees	2,088,121
Temporary Tax on Net Assets	1,324,255
<b>Employment Taxes</b>	<b>7,649,359</b>
Employer's social security contribution	7,577,803
Other taxes	71,556
<b>Taxes on products and services</b>	<b>50,515,886</b>
Non deductible VAT	
Tx on the utilization of airspace, soil and suboil	
Regulation contributions to public entities	48,809,802
Tax on Financial Transactions	1,053,880
Custom duties	652,204
Other public domain Charges	
<b>Environmental Taxes</b>	<b>6,926,782</b>
Tax on value of electricity generation	
Other environmental taxes (regional)	6,926,782
Tax on nuclear services	
Other taxes	
<b>TOTAL</b>	<b>392,732,489</b>

	2020 local currency
<b>Taxes collected</b>	
<b>Profit taxes</b>	<b>6,217,114</b>
Withholdings on payments to non-residents (without PE)	5,631,254
Revenues from investment capital	512,720
Withholdings on payments to independent individuals	73,139
<b>Property taxes</b>	
Revenues from property investments	
<b>Employment Taxes</b>	<b>32,144,557</b>
Withholdings on earned Income	32,144,557
Employee social security contributions	
<b>Taxes on products and services</b>	<b>273,507,132</b>
VAT withholdings (Net position)	273,507,132
VAT drawdowns	
<b>Environmental taxes</b>	
Taxes on electricity	
<b>TOTAL</b>	<b>311,868,802</b>

<b>Total Tax Contribution in Peru</b>	<b>704,601,292</b>
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Other regulatory payments	
Payment to energy fund	
Other	

<b>Total payments to Public Authorities</b>	<b>704,601,292</b>
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# Appendices

## Appendix III: List of taxes

TAXES	STATE TAX	FEDERAL / REGIONAL TAX	LOCAL TAX	TAX BORNE	TAX COLLECTED	SCOPE
<b>PROFIT TAXES</b>						
Third Category Income Tax Payments on Advance	✓			✓		✓
Third Category Income Tax (Corporate Income Tax)	✓			✓		✓
Dividends Income Tax Withholding	✓				✓	✓
Non-domiciled Income Tax Withholding	✓				✓	✓
Fourth Category Income Tax	✓				✓	✓
<b>PROPERTY TAXES</b>						
Property Tax			✓	✓		✓
Municipal public service taxes			✓	✓		✓
Temporary Tax on Net Assets	✓			✓		✓
<b>EMPLOYMENT TAXES</b>						
Fifth Category Income Tax (dependant individuals)	✓				✓	✓
Health social security contributions (ESSALUD)	✓			✓		✓
Industrial contribution (Senati)	✓			✓		✓
<b>TAXES ON PRODUCTS &amp; SERVICES</b>						
Value Added Tax (VAT)	✓				✓	✓
Custom duties AD Valorem	✓			✓		✓
VAT Withholding	✓				✓	✓
Financial Transaction Tax	✓			✓		✓
Regulation contribution to the Energy and Mining Investment Regulator (OSINERGMIN)	✓			✓		✓
Regulation contribution to the Environmental Regulator (OEFA)	✓			✓		✓
Regulation contribution to the Ministry of Energy and Mining (MEM)	✓			✓		✓
<b>ENVIRONMENTAL TAXES</b>						
<b>WATER TAXES</b>	✓			✓		✓

# Appendices

## Appendix IV: Methodology used in the comparative analysis of effective Corporate Income Tax rates

The analysis has been based on the publicly available information of competitors of Enel Peru.

The effective rate of the Corporate Income Tax purposes (ETR), has been calculated as the division of the income tax expense by the profit before tax, both figures taken from the consolidated income statement for the year.

The average figure for the last two years for which data is available (2020 and 2021) has been used to illustrate the findings:

- ***Adjusted arithmetical average***

Our findings in relation to the individual analyses of the companies are based on a statistical analysis of ETRs. In this type of analysis, there are generally elements that distort the average, such as non-recurring transactions or exceptional items, and these must be eliminated to draw reasonable conclusions from the sample studied.

- ***Quartiles***

The upper (75%) and lower (25%) quartiles are also calculated for the sample of companies, indicating the results obtained. This facilitates identification of the range of average results within which the majority of the companies are situated.

