INVESTMENT PORTFOLIO CARBON FOOTPRINT 2024

Preparado por RIMAC Seguros

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ACRONYMS

AUM	Assets under management
CC	Climate change
GHG	Greenhouse gases
PCF	Investment portfolio carbon footprint
RIMAC	RIMAC Seguros y Reaseguros
PACTA	Paris Agreement Capital Transition Assessment
PCAF	Partnership for Carbon Accounting Financials

1. INTRODUCTION

RIMAC Seguros y Reaseguros has decided to calculate the carbon footprint of the companies in which we invest through different investment instruments, such as corporate bonds and stock. This will enable us to measure and manage the decarbonization of our investment portfolio.

This report describes the methodology, scope, and results of the investment portfolio carbon footprint measurement as of the close of fiscal year 2024. Accounting for our financed emissions allows us to ensure transparent climate reporting, identify critical emissions points in the portfolio, and establish an effective decarbonization strategy.

2. SCOPE

The investment portfolio carbon footprint covers the assets under management (AUM) in RIMAC's portfolio. The scope and exclusions of the 2024 CF are described below:

Table 1 Carbon Footprint Scope and Exclusions

Type	Boundary	Description
Stock Portfolio	**Scope:**	• Common and preferred stock in both public and private companies • Other related investments
	Exclusions:	• Mutual funds • Investment funds
Corporate Bonds Portfolio	**Scope:**	• Public and private emissions • Other related investments
	Exclusions:	• Asset-backed securities • Mortgage-backed securities • Collateralized mortgage obligations • Secured bonds • Investment funds

Source: RIMAC, as of December 31, 2024

As of December 2024, **41.6%** of the investment portfolio's total AUM has been measured.

3. METHODOLOGY

The PCF was calculated using the PCAF methodology. This calculation divides our exposure in the company (stock or bonds) by the company's total enterprise value, multiplied by the company's total emissions. Our portfolio's total carbon footprint is the sum of all emissions in our portfolio, expressed in tons of carbon dioxide equivalents (tCO_2e).

Portfolio's Absolute Carbon Footprint

$$\sum_{i=1}^{n} \frac{€investment_i}{company's\ enterprise\ value\ including\ cash_i} * company's\ emissions_i$$

To calculate our portfolio's carbon footprint, the following data are required:

- *Investment:* This refers to the exposure in dollars ($) of the company in our investment portfolio, where "investment" is defined as the market value for stock and the nominal value for all fixed-income securities.
- *Company's emissions:* Refers to the sum of Scope 1 and 2 GHG emissions of the company invested in.
- *Enterprise value including cash (EVIC):* Calculated as the sum, at the end of the year, of the market capitalization of common stock, market capitalization of preferred stock, and the book value of total debt and noncontrolling interests, without deducting cash or cash equivalents.

Portfolio Carbon Footprint Intensity

$$\frac{\sum_{i=1}^{n} \frac{€investment_i}{company's\ enterprise\ value_i} * company's\ emissions_i}{total\ portfolio\ value}$$

Refers to the volume of carbon emissions per million dollars of revenue (a portfolio's carbon efficiency). This takes an equity ownership approach to Scope 1 and 2 GHG emissions. It is important to note that our portfolio's carbon footprint is calculated at the start of each year for the previous year.

4. RESULTS

This section contains the results of RIMAC Seguros y Reaseguros' PCF measurement. Values are expressed in absolute terms and intensities.

4.1. Absolute Financed Emissions

Table 2 presents total financed emissions, the coverage of the portfolio included (see breakdown in Table 1), and the percentage of the total investment portfolio it accounts for.

Table 2 Absolute financed emissions 2024

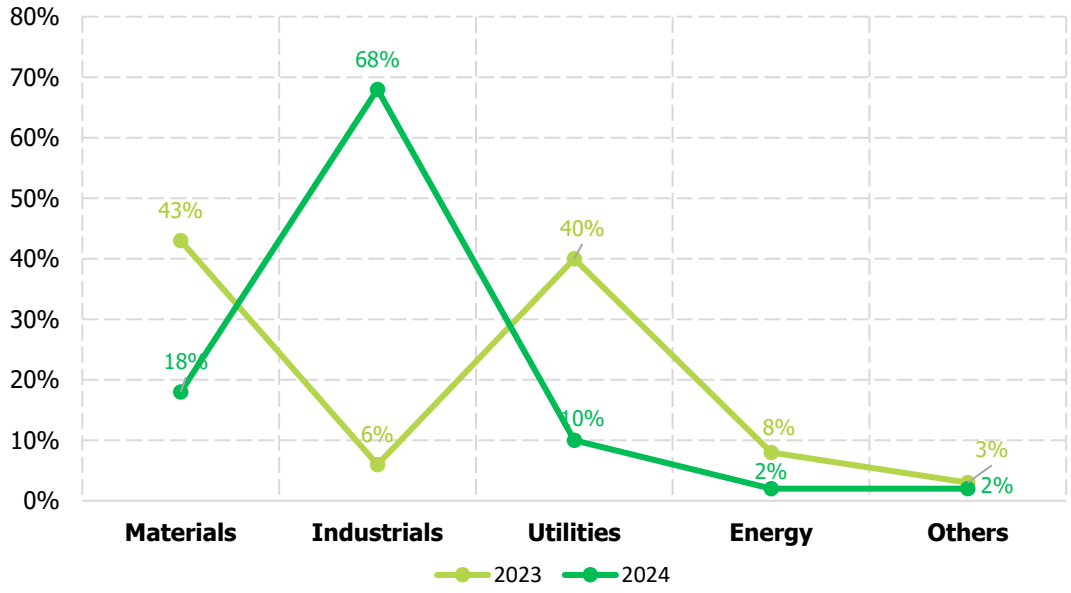
Ítem	Unit	FY 2023	FY 2024
Total absolute Financed Emissions	tCO2e	247,646	1,012,943
Percentage Covered	%	32.5	41.6
Portfolio Coverage *	$ MM	-	USD 1,520 MM
Portfolio	AUM	Assets under management	Assets under management

Source: RIMAC, as of December 31, 2024

Measurement Breakdown:

Below is a breakdown of the absolute PCF measure by sector/industry in which RIMAC Seguros invests:

Fig. 1 Absolute carbon footprint by investment sector, 2023-2024



Source: RIMAC, as of December 31, 2024

4.2. Intensity of Financed Emissions

Below is the volume of carbon emissions per million dollars of revenue (portfolio carbon efficiency) of the measured portfolio:

Table 3 Intensity of financed emissions 2024

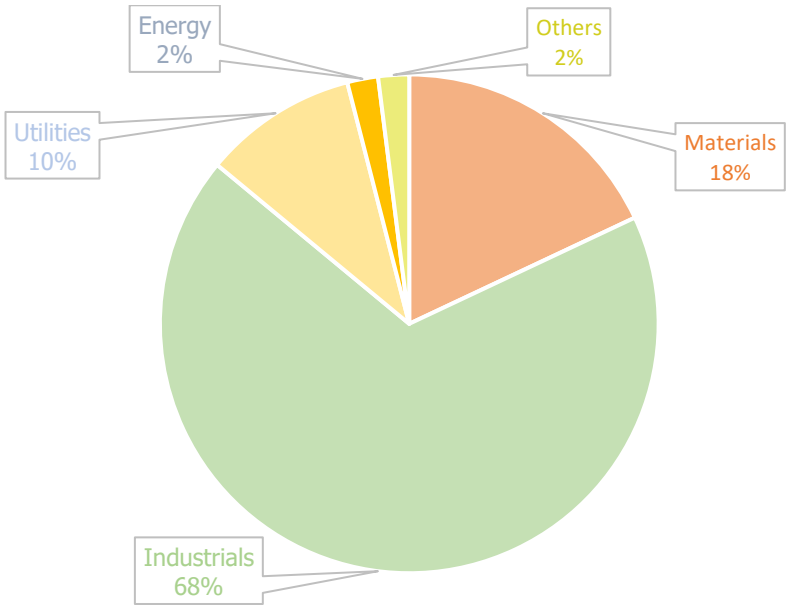
Ítem	Unit	FY 2023	FY 2024
Total Emissions Intensity	tCO2e/$M invertido	214	667
Percentage Covered	%	32.5	41.6
Portfolio Coverage *	$ MM	-	USD 1,520 MM
Portfolio	AUM	Assets under management	Assets under management

Source: RIMAC, as of December 31, 2024

Measurement Breakdown:

Below is a breakdown of the intensity of financed emissions in the PCF by sector/industry in which RIMAC Seguros invests:

Fig. 2 Intensity of financed emissions by investment sector



Source: RIMAC, as of December 31, 2024

Thus, we closely monitor the status of the sectors with the highest share in the financed emissions of our portfolio, with Industrials, Materials, and Utilities being the most relevant for 2024. Together, these three sectors account for 96% of all financed emissions estimated at year-end. Having this information enables us to analyze these sectors with greater focus on their commitment to sustainability, as well as the policies and/or targets established for the decarbonization of their operations, considering both transition risks and physical risks to which they are exposed.

In addition, when assessing investments, we consider potential controversies, the ESG Score, and the corresponding carbon footprint. Specifically, "controversies" shall be understood as those issues that, while not explicitly listed as Excluded Investments in accordance with our Responsible Investment Policy, RIMAC deems could breach ESG criteria. Accordingly, the following list is taken as a reference for identifying controversies under ESG aspects.

Table 4 Controversies examples

Environment	Social			Corporate governance
	Human rights	**Labor rights**	**Customer relationships**	
• Impact on biodiversity and land use • Toxic emissions and waste • Energy and climate change • Water stress and water impact • Operational waste (non-hazardous) • Supply chain management • Threat to protected ecosystems • Deforestation activities • Impact on animal welfare	• Impact on local communities • Adverse effects on human rights • Civil liberties • Threats to vulnerable or minority communities • Use of force against communities	• Labor management relations • Health and safety • Collective bargaining and trade unions • Discrimination and workforce diversity • Child labor • Supply chain labor standards • Adverse impact on labor rights.	• Anti-competitive practices • Data privacy and security • Misleading marketing and advertising practices • Product safety and quality	• Governance structures • Corruption, bribery, and fraud • Adverse impact on shareholder rights • Transparency in corporate governance • Accuracy of information

- Impact on public health
- Negative impacts derived from bioscience

Source: RIMAC, as of December 31, 2024

The handling of controversies will depend on their materiality and impact, and each case shall be reviewed individually. Accordingly, the verification of the occurrence of the aforementioned activities will take into consideration the following:

Table N° 5 *Example of activities with ESG-related controversies*

Characteristics	High frequency	Low frequency
High Severity	Exclude investment	Avoid investment
Low severity	Avoid investment	Consider investment

Source: RIMAC, as of December 31, 2024

5. TRANSITION RISKS

As mentioned in the previous section, as part of our monitoring process, we collect the environmental goals and targets set by the companies in our portfolio in order to mitigate transition risks. Most sustainability targets aim to achieve carbon neutrality by 2050 and/or significantly reduce emissions, limiting global temperature rise to +1.5°C above pre-industrial levels.

To this end, companies propose reducing absolute Scope 1, 2, and 3 emissions in the years leading up to 2050. Consequently, the actions to be taken include measures such as renewable energy consumption, reduction of own and supplier emissions, investment in nature-based climate solutions, sustainable waste management, water conservation, among others.

All these measures act as mitigants against transition risks associated with the carbon footprint in the shift towards a low-carbon economy. Specifically, maintaining these long-term sustainability objectives provides better positioning in scenarios of increased environmental regulation, technological advancements in renewable energy, shifts in consumer preferences, reputational pressures, and more.

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