

## RESPONSIBLE INVESTMENT POLICY

### I. Introduction:

The purpose of this document is to present general guidelines for a Responsible Investment policy. According to PRI<sup>1</sup>, responsible investment is understood as "an approach to asset management that considers that investors include environmental, social and corporate governance (ESG) factors" in their decisions on what to invest in and their role as owners and creditors.

This policy seeks to guide the responsible management of RIMAC's investments. This contributes to the identification of risk, transparency, opportunities, and management actions required for the generation of value framed in the sustainability of the business and the relationship with stakeholders.

We therefore recognize that our fiduciary duty involves acting in the best interest of our clients, insureds, beneficiaries, and other stakeholders. This commitment leads us to manage our investment portfolio prudently and sustainably, striving to ensure that our investments not only create economic value but also make a positive contribution to society and its wellbeing, as well as caring for the environment. We seek to guarantee the long-term sustainability of our investments, reflecting our corporate values and our responsibility to future generations.

Having a responsible investment policy is an important first step, but not the only one. RIMAC is also committed to implementing procedures and work plans consistent with this policy.

It should be noted that the basis of the guidelines contained in this policy was developed by the working group of the Responsible Investment Program (PIR), of which RIMAC is a member. The PIR is a non-profit Association created in 2016 by institutions in the Peruvian financial sector. RIMAC and the PIR aim to achieve the change in the Peruvian financial ecosystem toward a more responsible and sustainable investment.

In addition, as of April 2022, RIMAC became a PRI signatory, which is in line with the efforts we have been making over the past few years to identify and measure ESG factors in our portfolio.

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<sup>1</sup> PRI stands for Principles for Responsible Investment, an initiative promoted by the United Nations whose objective is to provide a structural framework for the integration of ESG criteria in decision-making processes or asset management. For more information, please visit: <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>.

## II. Scope and Application Framework:

The scope of this policy includes all active direct investments and those managed through third parties. This policy is framed within the following investment roles:

### *a. Investments made by the organization*

Includes investments made with own resources<sup>2</sup> and/or third-party resources in the organization's portfolios, in the following lines of investment:

- i. Fixed Income
- ii. Equities
- iii. Alternative investments
- iv. Investments through third parties
- v. Others

### *b. Distributors and promoters of investment products*

Applies to the promotion of investment managers who shall endeavor to include relevant information on ESG criteria within promotional materials and/or product documents.

For the different investment roles, the respective ESG criteria compliance analysis shall be taken into account in the investment process. RIMAC will document and justify those cases in which the application of ESG criteria is not possible.

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<sup>2</sup> Considering the characteristics -such as magnitude, frequency, duration, and objectives- of the investments made by the organization with its resources, the organization may establish a specific policy.

III. General guidelines for the incorporation of ESG criteria:

ESG criteria contribute to better investment performance in the long term. In this sense, the focus of this policy is oriented to contribute to RIMAC's objectives, incorporating best practice standards in environmental, social, and governance matters, achieving benefits for its stakeholders.

Accordingly, RIMAC will include ESG criteria in its portfolio analysis, evaluation, construction, and management activities - including investment risk mitigation and management - to help optimize risk-adjusted returns.

The environmental, social, and governance (ESG) criteria used for all direct investments and those managed by third parties shall include the following factors:

**Table 1: ESG Factors considered in investments**

Environment	Social			Corporate Governance
	Human Rights/Communities	Labor Rights	Relationship with Customers	
<ul style="list-style-type: none"> <li>• Biodiversity and sustainable land use.</li> <li>• Air control.</li> <li>• Responsible water use.</li> <li>• Hazardous and non-hazardous waste management.</li> <li>• Energy and climate change.</li> <li>• Supply chain management.</li> <li>• Protection of protected ecosystems.</li> <li>• Sustainable forestry management.</li> <li>• Promotion of animal wellbeing.</li> <li>• Protection of public health.</li> <li>• Positive impacts made possible through bioscience.</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impact on local communities.</li> <li>• Human rights.</li> <li>• Civil liberties.</li> <li>• Protection of vulnerable communities or minorities.</li> <li>• Positive relations with communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Labor management relations.</li> <li>• Health and safety.</li> <li>• Collective bargaining and unions.</li> <li>• Promotion of workforce diversity and non-discrimination.</li> <li>• Protection against child labor.</li> <li>• Labor standards for the supply chain.</li> <li>• Defense of labor rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of fair competition.</li> <li>• Data privacy and security.</li> <li>• Good marketing and advertising practices.</li> <li>• Product safety and quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Governance structures.</li> <li>• Culture of ethics and anticorruption.</li> <li>• Shareholder rights.</li> <li>• Transparency in corporate governance.</li> <li>• Accuracy of information.</li> </ul>

ESG factors may be more specific depending on the investment objective, investment style, sector, and market trends over RIMAC's investment horizon.

The incorporation of ESG criteria will be carried out by taking into account the following general guidelines:

- Encourage the construction of portfolios that incorporate such ESG criteria, to be consistent with RIMAC's investment policy.
- Exclude and/or evaluate investments that conflict with the investment criteria outlined in this policy, as set forth in Section IV: Responsible Management - Stewardship.
- Involve and empower third parties (issuers, fund managers, organizations in the same industry, among others) to incorporate business practices related to ESG criteria.
- Investment decisions will be framed in accordance with the legislation of the countries where RIMAC has a presence or makes its investments.

ESG criteria shall be reviewed every eighteen (18) months or less, according to a review of the guidelines for issuers and/or instruments.

Finally, RIMAC will promote education and training plans for the teams involved in the investment evaluation, approval, and monitoring process, to provide them with the necessary tools for optimal analysis and interpretation of ESG criteria.

### **1. *ESG Criteria in Active Direct Investments***

RIMAC's passive investments shall incorporate ESG Factors (see [Table 1](#)) in their evaluation, approval, and monitoring. The incorporation of ESG criteria shall apply to all relevant passive investment classes, internal portfolio management policies, private and public markets.

### **2. *ESG Criteria in Passive Direct Investments***

RIMAC's passive investments shall incorporate ESG Factors (see [Table 1](#)) in their evaluation, approval, and monitoring. The incorporation of ESG criteria shall apply to all relevant passive investment classes, internal portfolio management policies, private and public markets.

### **3. *ESG criteria for investments through third parties***

RIMAC's investments through third parties will include ESG Factors (see [Table 1](#)) in the evaluation, approval, and monitoring processes for the selection of managers and instruments.

It should also ensure that the manager has a responsible investment policy in place or is making efforts to develop one that meets RIMAC's minimum requirements. The incorporation of ESG criteria shall be relevant for all applicable asset classes, internal policies for portfolio management, private and public markets, as well as active management and indexed management.

Finally, RIMAC will seek appropriate communication regarding ESG criteria from the third parties through which it invests. To this end, RIMAC will ensure that third parties have periodic reports that provide information about the inclusion of ESG criteria in their analysis and monitoring.

#### IV. Responsible Management - Stewardship:

As part of our commitment to responsible investment, we take an active approach to responsible management, which includes the continuous, substantive monitoring of the companies in which we invest. This approach is aligned with our purpose of positively influencing the Peruvian financial ecosystem to promote solid corporate governance, responsible management of environmental resources, and respect for human rights, labor rights, and excellent client relations.

Our responsible management approach is based on the following principles:

##### 1. *ESG Integration*

The ability to implement ESG criteria in investment decision-making varies depending on multiple factors such as the asset class invested in, the market in which the assets are traded or the manager's trade, the level of autonomy or discretion in the implementation of decisions, the regulatory context, among others.

In this way, RIMAC will seek to systematically and demonstrably include ESG Factors (see [Table 1](#)) in investment processes, portfolio construction - including investment risk mitigation and management - and manager evaluation.

In this regard, the company will endeavor, whenever possible:

- i) Identify ESG Factors (see [Table 1](#)) that are relevant to the sector and investment strategy.
- ii) Evaluate investment risks and returns taking into account identified ESG Factors (see [Table 1](#)), financial variables, and risk assessment.

The incorporation of the evaluation of ESG criteria may be based on the opinions of an independent third-party expert on the subject, or on internal methodologies or procedures that allow for a reasonable understanding of the sustainability risks and opportunities represented by each investment alternative, issuer, or manager.

For this purpose, RIMAC has created an ESG Monitor that includes all investment proposals. This ESG Monitor highlights the importance of environmental, social, and governance problems for the general credit rating of the issuer under analysis.

MONITOR ESG	
1	Irrelevante para la calificación de la entidad e irrelevante para el sector.
2	Irrelevante para la calificación de la entidad pero relevante para el sector.
3	Mínimamente relevante para la calificación, ya sea de muy bajo impacto o administrado activamente de una manera que no tenga ningún impacto en la calificación.
4	Relevante para la calificación, no es un factor clave pero tiene un impacto en combinación con otros factores.
5	Altamente relevante, un factor clave de calificación que tiene un impacto directo en el rating.

Monitor ESG:  
Relevancia de criterios ESG para el rating



## **2. Engagement: Active Role**

RIMAC will actively exercise its voting and participation rights, when they exist, in the investments in which it participates, applying ESG considerations in the position it adopts and in its decision making. To this end, RIMAC will seek to progressively develop the engagement capabilities required to participate in the discussion and decision-making spaces and to exercise these rights diligently and effectively.

The company will also seek to contribute positively to the development of public policies, regulations, and standards of good corporate governance, and good practices in environmental and social management, whenever the company's internal regulations, context, and policies allow it.

The scope of engagement includes all active and passive direct investments, and those managed by third parties, regardless of their sustainability designation. The ESG Factors (see [Table 1](#)) included for active commitments include, but are not limited to those presented in Section III: General guidelines for the incorporation of ESG criteria (see [Table 1](#)). In the exercise of active engagement, RIMAC will assess, where necessary, the possibility of collaborating with other shareholders and/or stakeholders.

## **3. Impact and/or Thematic Investment**

It consists of the active allocation of capital in investments that promote the solution of environmental, social, and governance issues, such as green technology, climate change mitigation and adaptation, education, social innovation, financial inclusion, and access to basic services, among others.

Where permitted by market conditions, investment strategy, regulations, and the organization's risk/return profile, it shall prioritize investments or the sale of products with an ESG approach and opt for alternatives based on the ESG Factors (see [Table 1](#)) of interest, with regard to traditional investments.

When analyzing the investment, if the commitment results are found to meet the objectives set and positive ESG impacts are identified, an increase in this investment's exposure will be assessed, taking into account the strategy of each portfolio and the opportunities identified in the market. However, if the commitment results do not achieve the expected objectives, measures will be taken to encourage the companies under evaluation to increase the intensity of their commitment actions. Finally, if a repeated failure to meet objectives is observed, an evaluation will be conducted to determine the actions to be taken, with divestment as a last resort.

The RIMAC Investment Team determines the specific investment guidelines to be used depending on the asset class and sector, aligned with best investment practices. This process takes into account the general guidelines for the incorporation of ESG factors (see [Table 1](#)).

According to our Responsible Investment Policy and the principles of the UN PRI, to which we are signatories, strategies shall be selected, and decisions shall be made in an effort to:

- Incorporate ESG Factors (see [Table 1](#)) in the analysis of investments and decision-making processes.

- Actively exercise voting rights and incorporate ESG Factors (see [Table 1](#)) in voting policies and practices.
- Encourage the companies in which it invests to adequately disclose ESG information.
- Encourage the acceptance and implementation of the principles in the investment sector.
- Work collaboratively to increase the effective application of the principles.
- Assess the ESG risks of the issuers in the investment decision-making process.

Additionally, the Investment Teams use the theoretical frameworks for each sector, allowing them to grasp its particularities and ultimately determine the sustainable investment strategy, paying special attention to whether it is a sensitive sector that requires specific guidelines.

#### **4. Screening**

It consists of an initial exploration and survey of investments considering ESG aspects (environmental, social, and corporate governance aspects) that will allow the establishment of lists of Excluded Investments and Controversies, to which RIMAC has adhered, to mitigate sustainability risks.

Based on the foregoing, the final list of Excluded Investments and Controversies has been determined, which will be implemented by RIMAC, within its investment or promotion analysis, seeking its compliance based on market conditions, investment strategy, regulation, and risk-return profile of the company:

##### **Excluded Investments<sup>3</sup>:**

1. Excluded industries are those in which the organization will not participate as a direct investor<sup>4</sup>.

In this regard, investments in the following industries will be excluded:

- i. Production or trade of armament and/or ammunition.
- ii. Pornography.
- iii. Tobacco production or trade.
- iv. Casinos, gambling centers, or similar activities.
- v. Coal production and commercialization.

However, if one of the enterprises receiving the investment is related to the industries in items (iii), (iv), and (v), it will not be considered excluded if the principal line of business of the enterprise is not substantially involved in these activities, and such activity is only ancillary to the principal operations of the enterprise. As a general rule, an activity will be considered ancillary if it represents less than 25% of the revenues of the business.

2. Regardless of the industry to which they belong, companies receiving investment will be excluded if it is verified that they carry out the following activities:
  - i. Activities that do not comply with regulations related to the protection of minors.

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<sup>3</sup> The list of Excluded Activities is based on the list proposed by the International Finance Corporation (IFC) according to the information contained on its web page <http://www.ifc.org/exclusionlist>.

<sup>4</sup> In the case of investments through third parties, the provisions of Section III shall be complied with.

- ii. Industrial-scale activities that do not comply with regulations related to the preservation of natural and/or critical habitats, or activities that take place in Protected Areas.
- iii. Activities involved in illegal exploitation (extraction, production, or sale), of natural resources.
- iv. Activities that have adverse impacts linked to processes of involuntary resettlement.
- v. Activities that have an adverse impact on occupied or allotted land to indigenous populations.
- vi. Activities that incur damage, impairment, destruction, or elimination of cultural heritage.

**Controversies:**

The organization shall conduct a detailed analysis of those investment proposals that generate or may generate controversies due to their social, environmental, and/or corporate governance impact. Controversies shall be understood as those that, although not directly categorized in Excluded Investments, RIMAC considers may violate ESG criteria.

All disputes will be analyzed, documented, presented, and discussed by RIMAC's Investment Committee, who will approve the investment depending on their level of tolerance and/or exposure to it.

Likewise, the following list will be used as a reference to identify controversies under ESG<sup>5</sup> aspects:

Environment	Social			Corporate Government
	Human Rights / Communities	Labor Rights	Relationship with customers	
<ul style="list-style-type: none"> <li>• Impact on biodiversity and land use.</li> <li>• Toxic emissions and waste.</li> <li>• Energy and climate change.</li> <li>• Water stress and water impairment.</li> <li>• Operational waste (nonhazardous).</li> <li>• Supply chain management.</li> <li>• Threat to protected ecosystems.</li> <li>• Deforestation activities.</li> <li>• Affect on animal welfare.</li> <li>• Affect on public health.</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on local communities.</li> <li>• Impact of human rights.</li> <li>• Civil liberties.</li> <li>• Threats to vulnerable communities or minorities.</li> <li>• Use of force against communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-management relations.</li> <li>• Health and safety.</li> <li>• Collective bargaining and unions.</li> <li>• Discrimination and workforce diversity.</li> <li>• Child labor.</li> <li>• Supply chain labor standards.</li> <li>• Impact on Labor Rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Anticompetitive practices.</li> <li>• Privacy and data security.</li> <li>• Bad practices in marketing and advertising.</li> <li>• Product safety and quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Governance structures.</li> <li>• Corruption, bribery, and fraud.</li> <li>• Impact of shareholders' rights.</li> <li>• Transparency in corporate governance.</li> <li>• The truthfulness of the information.</li> </ul>

<sup>5</sup> The information contained in the websites of Morgan Stanley Capital International (MSCI) and Principles for Responsible Investment (PRI) was used as the basis for the list of controversies



<ul style="list-style-type: none"> <li>Negative impacts derived from bioscience.</li> </ul>				
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The treatment of disputes will depend on materiality and impact and each case should be reviewed individually. Verification of the performance of the abovementioned activities shall take the following into account:

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

## 5. Voting

RIMAC shall actively exercise its voting rights, where applicable, in all active and passive investments in its portfolio, applying ESG considerations in the position it takes and the decisions it makes, with the goal of positively influencing the portfolio companies and improving their sustainability performance.

When RIMAC proposes ESG resolutions in the Shareholder Meetings of the portfolio companies, its ESG resolutions contain environmental, social, and governance criteria. The RIMAC Investments Team provides guidelines for drafting said resolutions.

The scope of voting includes all active and passive investments, regardless of their sustainability designation. The ESG factors considered when drafting the resolutions submitted to Shareholder Meetings and voting include, but are not limited to, the topics presented in Section III: General Guidelines for the Incorporation of ESG Factors (see [Table 1](#)).

The voting process weighs the risks and opportunities of the portfolio companies, as well as the abovementioned ESG topics. In the event that RIMAC has external service providers or proxies for issuing its vote, efforts shall be made to align with the company's regulations and internal policies at all times.

## V. Results Assessment

As part of the sustainable investment process, RIMAC performs an annual evaluation of the sustainability results obtained throughout its investment portfolio. For such purpose, it focuses on positive contributions to the sustainability challenges of the portfolio companies and presents them in its annual report. Below are the main KPIs used to measure its impact:

- Annual amount of sustainable investment
- Amount of investment in companies with outstanding ESG performance

These factors are based on the following definitions:

- **Responsible investment:** Investment that meets the requirements established in our Responsible Investment Policy.
- **Outstanding ESG performance:** Includes those issuers with a score of 3 or more in the ESG Monitor.

These KPIs are reviewed by the Investments Team and reported to the board of directors and BRECA annually, in an effort to improve the process and ensure optimal performance.

## VI. Government

This Policy requires a solid, integrated and responsible governance approach, intending to make the Policy an effective tool for incorporating ESG criteria into the organization's investment process. This chapter outlines the decision and disclosure, implementation and monitoring mechanisms to be applied by RIMAC.

### 1. DECISION MAKING AND DISCLOSURE

The powers and functions of the bodies of the organization involved shall be as follows:

- Board of Directors:
  - Approve RIMAC's sustainability strategy.
  - Approve the Responsible Investment Policy, as well as its modifications, within the management framework associated with the responsible investment process at RIMAC.
  - Promote the adoption of ESG criteria in RIMAC's investment processes, in compliance with the Principles for Responsible Investment.
  
- Investment Committee
  - Propose to the Board of Directors, the approval and/or modifications of the Policy, the sustainable investment guidelines, and the management framework for its implementation in RIMAC.
  - Decide on investment proposals that may be considered Excluded or Controversial as referred to in section IV of the Policy.
  - Decide on the potential divestment if an Excluded Investment or Controversy arises after the investment has been made
  
- Integral Risk Management Committee:
  - Be aware of updates to the Policy, sustainable investment guidelines, and management framework for implementation at RIMAC.
  - Monitor compliance with this Policy.
  - Take cognizance of the decisions agreed upon in the Investment Committee on Investments considered as disputes and on divestments in Excluded or Disputed Investments as referred to in section IV of the Policy.
  
- Investment Division
  - Develop, promote and implement the Policy throughout the investment chain or process.
  - Monitor compliance with the Policy in RIMAC's investment process.
  - Submit to the Investment Committee the cases it deems appropriate due to their complexity, to determine whether they do not comply with this policy or ESG criteria.
  - Integrate ESG criteria into the investment process.
  - Administer this Policy and manage any updates deemed necessary.
  - Manage its disclosure with other RIMAC bodies or instances.

- Issue opinions regarding alerts of non-compliance with the Policy and/or ESG criteria that may be generated.
- Provide support and advice in the development of tools that may be useful to classify, evaluate, approve and control ESG risk promptly.
- Update the management framework associated with the responsible investment process at RIMAC.
- Report internally on ESG criteria.
- Risk Division:
  - Monitor compliance with the Policy in RIMAC's investment process.
  - Present to the Risk Management Committee the decisions made by the Investment Committee regarding cases that, due to their complexity, were considered controversial.
  - Integrate ESG criteria in the monitoring and evaluation of the Portfolio.
  - Manage its disclosure with other RIMAC bodies or instances.
  - Issuing opinions regarding alerts of non-compliance with the Policy and/or ESG criteria that may be generated.
  - Incorporate the evaluation of ESG criteria in the investment risk management of the portfolio in an integrated manner.
  - Include ESG information and data in risk reports.
  - Report internally on ESG criteria.

## 2. IMPLEMENTATION

The Policy shall govern from its approval at the institutional level by the organization's Board of Directors, as well as any modification, amendment, or substitution to the Policy.

## 3. FOLLOW UP

- The Investment and Risk Division will be in charge of monitoring compliance with this Policy.
- Investment Division
  - Report annually to the Board of Directors on the level (status) of compliance with the Policy.
  - Conduct an ongoing review of the investment portfolio and the level (status) of compliance with this Policy.
  - Seek the inclusion of ESG criteria in business agreements with counterparties, managers, intermediaries, or any third party linked to the investment opportunity.
- Risk Division
  - Continuously report to the Integrated Risk Management Committee on the level (status) of compliance with the Policy.
  - Conduct an ongoing review of the investment portfolio and the level (status) of compliance with this Policy.

## 4. ONGOING APPLICATION OF ESG POLICY AND CRITERIA

To verify ongoing compliance with this Policy and ESG criteria, the Investment and Risk Division shall include in its internal policies and procedures a periodic follow-up, among others, such as the annual evaluation to which we are subject as PRI signatories.

This in order to generate non-compliance alerts that allow detecting the potential configuration of Excluded Investments or Controversies, as established in section IV of this policy.

In such an event, the Investment Division shall issue a favorable or unfavorable opinion on the suitability of the investment in terms of ESG criteria and compliance with this Policy. In the occurrence of an unfavorable opinion after having detected an Excluded Investment or resolved a Controversies, RIMAC will initiate a suitability plan evaluating the risks inherent in such a decision, considering RIMAC's investment policy and strategy. Notwithstanding the foregoing, the Investment and/or Risk Division may also raise an alert of non-compliance with this Policy for discussion and decision by the Investment Committee.

In the event, the Investment Committee - after the alert of non-compliance has occurred- considering that the investment remains in compliance with this Policy and ESG criteria, it will not be necessary to modify RIMAC's position and/or participation in such investment. However, the Risk Division shall submit such an opinion to the Comprehensive Risk Management Committee for its knowledge.