



# INVESTMENT PORTFOLIO CARBON FOOTPRINT

RIMAC SEGUROS Y REASEGUROS

2023



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## ACRONYMS

<b>AUM</b>	Assets under management
<b>CC</b>	Climate change
<b>GHG</b>	Greenhouse gases
<b>PCF</b>	Investment portfolio carbon footprint
<b>RIMAC</b>	RIMAC Seguros y Reaseguros
<b>PACTA</b>	Paris Agreement Capital Transition Assessment
<b>PCAF</b>	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 2023. 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 2023 CF are described below:

**Table 1** Carbon Footprint Scope and Exclusions

Type	Boundary	Description
Stock Portfolio	Scope:	<ul style="list-style-type: none"> <li>• Common and preferred stock in both public and private companies</li> <li>• Other related investments</li> </ul>
	Exclusions:	<ul style="list-style-type: none"> <li>• Mutual funds</li> <li>• Investment funds</li> </ul>
Corporate Bonds Portfolio	Scope:	<ul style="list-style-type: none"> <li>• Public and private emissions</li> <li>• Other related investments</li> </ul>
	Exclusions:	<ul style="list-style-type: none"> <li>• Asset-backed securities</li> <li>• Mortgage-backed securities</li> <li>• Collateralized mortgage obligations</li> <li>• Secured bonds</li> <li>• Investment funds</li> </ul>

Source: RIMAC, as of December 31, 2023

As of December 2023, **32.5%** 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<sub>2</sub>e).

#### **Portfolio's Absolute Carbon Footprint**

$$\sum_{i=1}^n \frac{\text{€investment}_i}{\text{company's enterprise value including cash}_i} * \text{company's emissions}_i$$

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**

$$\frac{\sum_{i=1}^n \frac{\text{€investment}_i}{\text{company's enterprise value}_i} * \text{company's emissions}_i}{\text{total portfolio value}}$$

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 2023

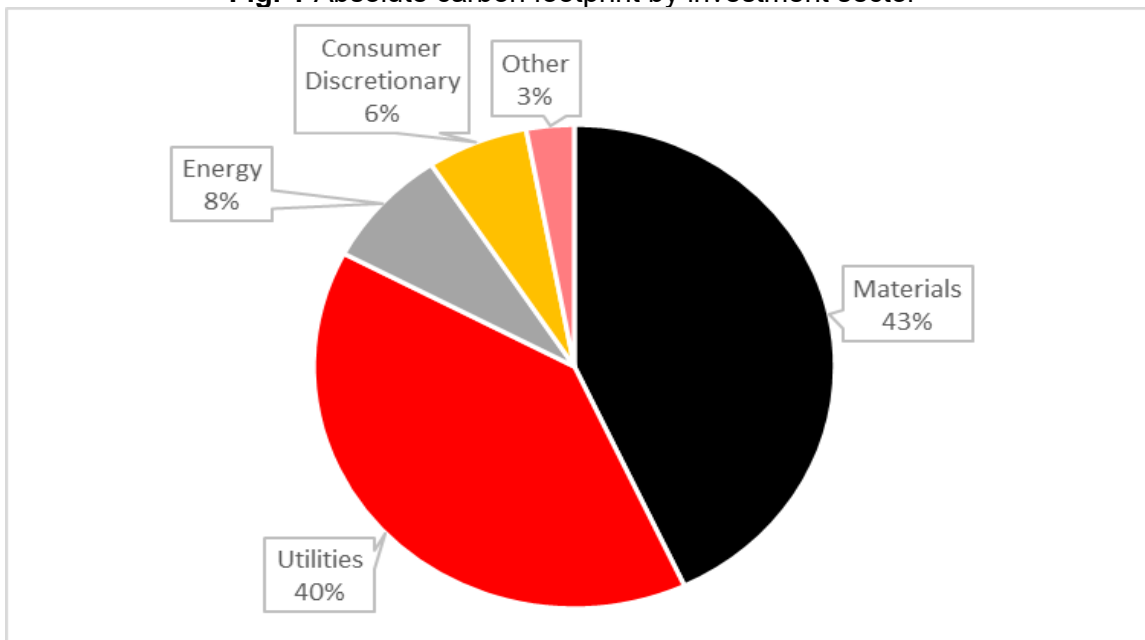
Absolute Financed Emissions	FY 2023
<b>Total Absolute Financed Emissions</b> (metric tons of CO <sub>2</sub> equivalents)	247,646 tCO <sub>2</sub> e
<b>Portfolio Coverage</b> <ul style="list-style-type: none"> <li>Assets under management (AUM)</li> </ul>	247,646 tCO <sub>2</sub> e
<b>Percentage (%) Covered</b>	32.5

Source: RIMAC, as of December 31, 2023

#### **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



Source: RIMAC, as of December 31, 2023

#### 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 2023

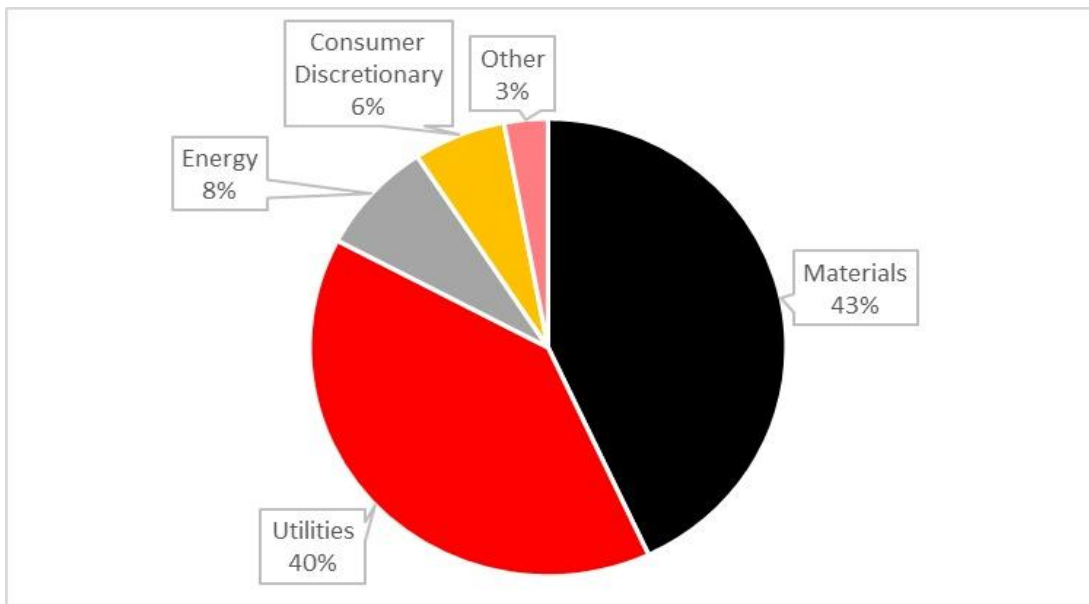
Intensity of Financed Emissions	FY 2023
<p><b>Total Emissions Intensity</b></p> <p>Unit</p> <ul style="list-style-type: none"> <li>tCO<sub>2</sub>e/\$M invested</li> </ul>	214 tCO <sub>2</sub> e/\$M invested
<p><b>Coverage</b></p> <ul style="list-style-type: none"> <li>Assets under management (AUM)</li> </ul> <p><b>Percentage (%) Covered</b></p> <p>32.5</p>	214 tCO <sub>2</sub> /\$M

Source: RIMAC, as of December 31, 2023

#### 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, 2023

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