

TCFD
REPORT 2023

CREDIC  RP

INDEX

Introduction	3
Governance	7
1. A. Board of Directors Oversight	8
1. B. Senior Management Oversight	10
Strategy	14
2.A. Identification of Risks and Opportunities	16
2.B. Impact of Climate-Related Risks and Opportunities	22
Risk Management	24
3. A. Risk Identification and Assessment Process	25
3.B. Climate Risk Management Process	33
3.C. Integration of Climate Risk Management into the Overall Risk Management	36
Metrics & Targets	37
4.A. Risk and Opportunity Assessment Metrics	38
4.B. Greenhouse Gas Emissions and Other Indicators	41
4.C. Our Commitments and Objectives	44



Presione aquí
para la versión
en español



INTRODUCTION

CREDICORP



INTRODUCTION

At Credicorp, our purpose is to improve lives by accelerating the changes our countries need. This goal motivates us to identify and adequately manage climate-related risks and opportunities. Since 2020, the year we first created our corporate sustainability strategy, we have focused on improving our skills and knowledge related to this global challenge, leading us to continue refining our aims and aspirations. This effort is reflected in [our Annual Sustainability Reports](#) and, now, in our first corporate TCFD (Task Force on Climate-related Financial Disclosures) report.

In this report, we describe the steps taken (as of June 2023) to consolidate our environmental strategy at the corporate level and within our subsidiaries. The report covers the management of climate change-related issues in areas such as corporate governance, business strategy, operations, risks, metrics, and objectives among our companies.

Credicorp Environmental Strategy: Vision

During the first quarter of 2023, we designed our corporate environmental strategy, a keystone of Credicorp’s sustainability strategy. This process allowed us to set out **our vision** in this front: **to be a local leader in supporting the transition towards an environmentally sustainable economy by building capabilities and knowledge that encourage sustainable businesses and by promptly managing environmental risks.** [\(See Strategy Section\).](#)



Our environmental vision is to be a local leader in supporting the transition to an **environmentally sustainable economy**





Main achievements as of Q2 - 2023 in **climate and environmental** issues

Below are the main achievements as of the second quarter of 2023 on climate and environmental issues.

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The **environmental strategy** (with roadmaps to 2025) was approved at the corporate level and covered Credicorp's seven main subsidiaries.

We committed to carbon neutrality by 2032 for all our direct operations' emissions¹.

2022 was the first year that **our operational carbon footprint measurement covered all our main subsidiaries** (we audited this measurement).

¹ It includes Scope 1, Scope 2, and Scope 3 material categories (excluding portfolio emissions) for 2032.

BCP

BCP made the first issuance of an international green bond by the Peruvian private banking system for USD 30 million.

BCP created its Environmental Taxonomy.

BCP approved USD 162.8 million in green financing in 2022 and USD 147.7 million during the first half of 2023.

ESG Questionnaires were updated and distributed to **BCP's Wholesale Banking clients** in 10 prioritized sectors to identify their exposure to ESG risks.

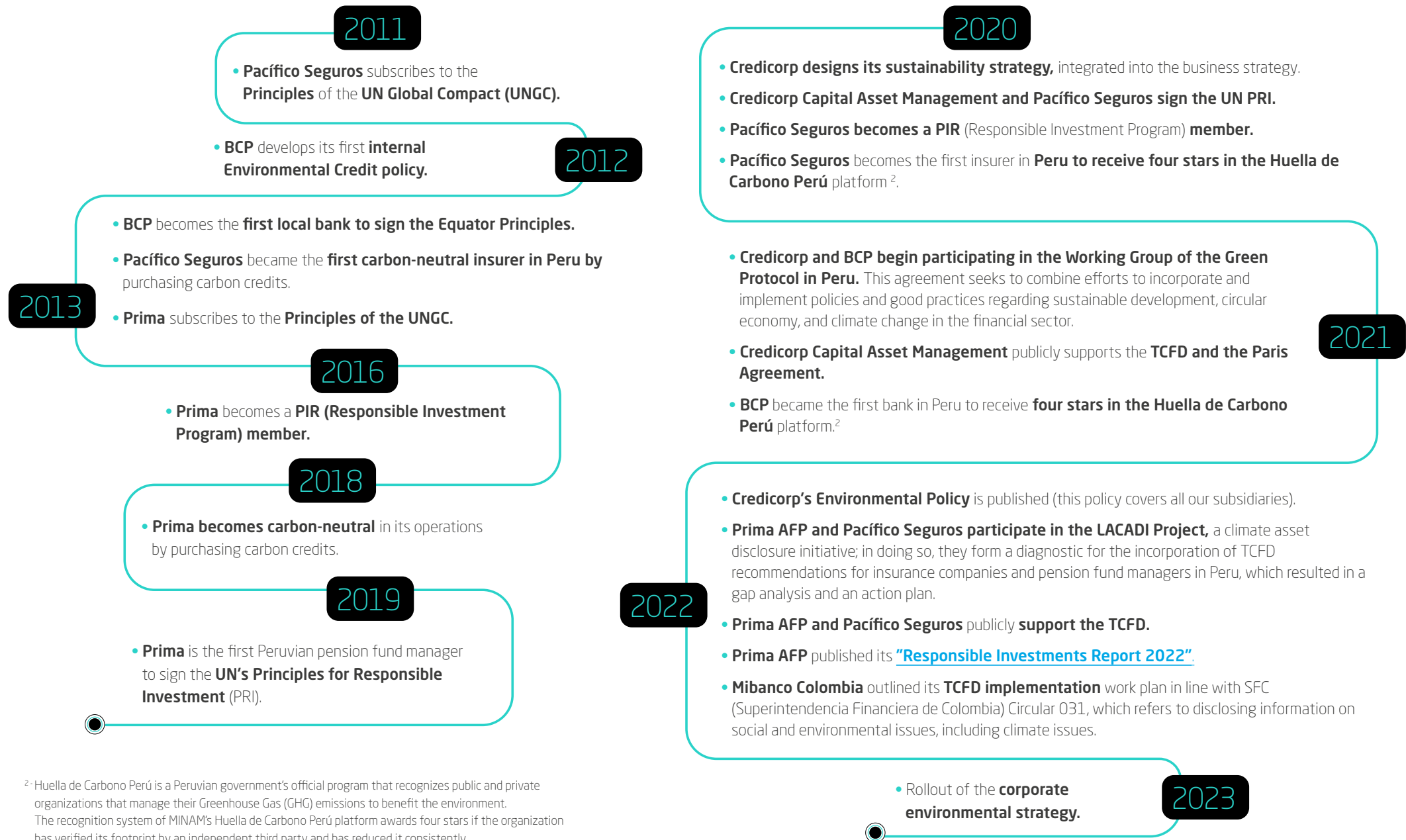
pacífico PRIMA^{AFP}

Pacífico Seguros developed and applied sector specific ESG investment questionnaires for the local market to identify the sustainability risks and opportunities of the Peruvian companies in their portfolio.

Pacífico Seguros implemented ESG monitoring processes for over 90% of their foreign corporate bonds' portfolio through a specialized global ESG data provider.

To date, 38% and 14% of the **investment teams in Prima AFP and Pacífico Seguros hold a CESGA certificate from EFFAS**, focused on ESG analysis for investment activities.

Timeline for the significant climate and environmental management milestones:



²- Huella de Carbono Perú is a Peruvian government's official program that recognizes public and private organizations that manage their Greenhouse Gas (GHG) emissions to benefit the environment. The recognition system of MINAM's Huella de Carbono Perú platform awards four stars if the organization has verified its footprint by an independent third party and has reduced it consistently.

GOVERNANCE

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1



GOVERNANCE

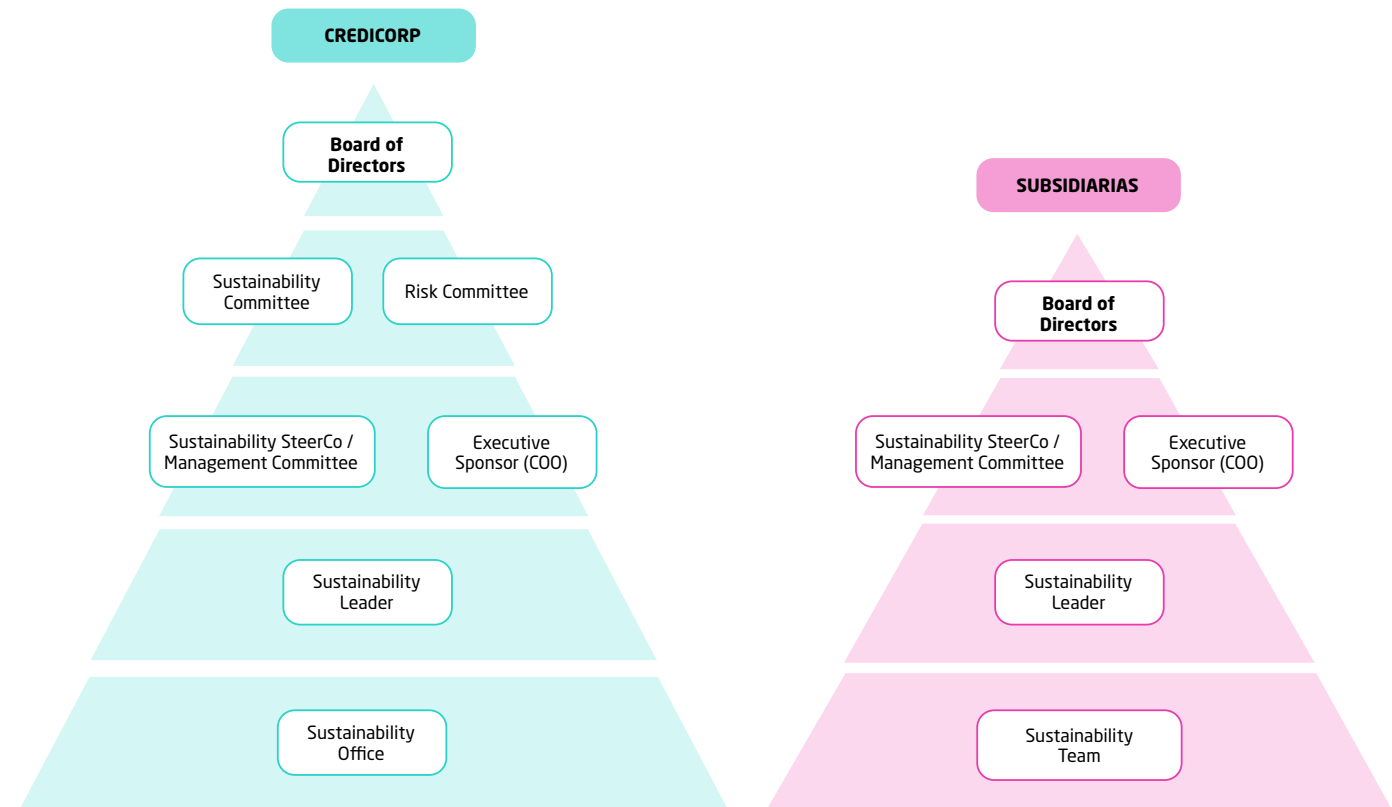
1.A. Board of Directors Oversight

One of the three pillars of our sustainability strategy is **creating a more sustainable and inclusive economy**, and one of its main aims is **to support the transition to an environmentally sustainable economy, including the effects of climate change**. To achieve this, Credicorp has carried out initiatives that apply to its business and operating models.

We have added a series of roles and forums to the existing governance structures to drive the implementation of our corporate sustainability strategy and ensure alignment of actions among the subsidiaries. The involvement of the Board of Directors and the organization's leadership has been crucial in this regard. The same structure applies to climate change and other environmental issues. The chart below shows the leading roles within the corporate governance structure.

creating a more sustainable and inclusive economy
to support the transition to an environmentally sustainable economy, including the effects of climate change.

Sustainability Governance Structure



Main Corporate Governance Entities

Governing Body	Description	Functions associated with climate
Board of Directors	<ul style="list-style-type: none"> Comprising nine directors: five independent and three women. 	<ul style="list-style-type: none"> Monitors and challenges the progress and objectives associated with the defined strategy and approves critical decisions. The Sustainability Office submits issues that require decision, approval, or sustainability reporting (including climate-related issues) to the Board at least once a year. Approves corporate policies. Approves the Corporate Environmental Strategy and oversees its implementation.
Sustainability Committee of the Board	<ul style="list-style-type: none"> Chaired by an independent director. Comprising five members: three independent and two women. Meets at least quarterly. 	<ul style="list-style-type: none"> Ensures the execution of the Sustainability Strategy and its alignment with the corporate purpose and strategy. Makes and ratifies decisions related to sustainability strategy and corporate governance. Reviews the corporate strategic aspirations, objectives and policies.
Risk Committee of the Board	<ul style="list-style-type: none"> Comprising five members: two independent and one woman. 	<ul style="list-style-type: none"> Monitors the progress of corporate climate and environmental risk management objectives. Supervises and approves all issues associated with risk appetite and the most relevant climate and environmental management issues.

The Board of Directors and the Board’s Sustainability Committee undergo sustainability training. Relevant climate topics are included to keep directors updated on trends, opportunities, and risks. During 2022, two training sessions were held for this purpose:

1. Addressed to the Board of Directors: “Credicorp’s Top ESG Priorities.”

This training session had a section on environmental trends, risks, opportunities, and initiatives relevant to Credicorp. It also focused on how the different committees of the Board, such as the Risk Committee, the Remunerations and Nominations Committee, and the Audit Committee, can address issues associated with the “E.”

2. Addressed to the Sustainability Committee: “ESG Framework and the Opportunity in the E.”

This training session was focused on the relevance of climate change, the expected scenarios, the impact on various sectors, and the diverse opportunities the transition to a low-carbon economy presents to the financial industry.

1.B. Senior Management Oversight

The sustainability governance structure aims to increase sustainability awareness in key forums within the organization and to clearly define responsibilities related to the strategy and its successful execution, both at the corporate and subsidiary levels.

Body/Role	Description	Function
Sustainability SteerCo	Comprised of the Corporate CEO and the CEOs of the subsidiaries; the Corporate COO, CRO and CFO, the Corporate Talent Manager, the Corporate Human Development Manager, and the Corporate Sustainability leader who manages the committee. The Sustainability Steerco meets quarterly.	<ul style="list-style-type: none"> • Guides and monitors ESG priorities and strategy execution. • Makes corporate decisions about strategic aspirations, objectives, policies and applications. • Approves material changes in the strategy of corporate functions and subsidiaries. • Monitors progress on established climate-related goals.
Sustainability Sponsor	At the corporate level, this role is held by the corporate COO. He is a member of Credicorp's management committee and chairs the Sustainability SteerCo. At the subsidiary level, the role is designated to the CEOs of each subsidiary.	<ul style="list-style-type: none"> • Drives the setting of ambitious sustainability goals. • Communicates key issues to the SteerCo. • Monitors and checks on the progress of the environmental strategy.
Corporate Sustainability Leader	Corporate sustainability representative. Reports directly to the Sustainability Sponsor.	<ul style="list-style-type: none"> • Leads the Corporate Sustainability Office. • Supports the Sponsor to enable the Sustainability Committee and enables the Credicorp Sustainability SteerCo and the Sustainability Working Group.
Subsidiary Sustainability Leaders	Sustainability representatives of the subsidiaries. They mostly report to their company's Sustainability Sponsor (their CEO).	<ul style="list-style-type: none"> • Determines the strategic direction of sustainability at the company level, oversees the implementation plan and monitors progress of initiatives.
Sustainability Working Group	Group chaired by the Sustainability Leader of Credicorp, with the support of the Sustainability Office, and made up of all sustainability leaders.	<ul style="list-style-type: none"> • Ensures the alignment of the strategies of the subsidiaries with that of Credicorp and creates synergies in the implementation of sustainability efforts.

Body/Role	Description	Function
Sustainability Office	Corporate team dedicated to the oversight and implementation of the corporate sustainability strategy.	<ul style="list-style-type: none"> • Works together with the teams of the subsidiaries, leading and enabling forums and workspaces, following up on initiatives to ensure they align with the strategy. • Oversees the successful implementation of the sustainability strategy, including the environmental strategy, to ensure that it translates into a strategic or financial advantage for Credicorp. • Makes proposals at the strategic level and at the implementation level, including policies, procedures, rules and the adoption of best practices and frameworks. • Trials new approaches or initiatives and is the PMO of initiatives associated with climate issues at the corporate and subsidiary level
Sustainable Finance Platform	Forum that brings together all the parties of the corporation that work on initiatives associated with sustainable finance, such as BCP, BCP Bolivia, Credicorp Capital, Mibanco Peru and Mibanco Colombia.	<ul style="list-style-type: none"> • Develops financial solutions that encourage clients to reduce their environmental impact and to consider the effect of climate change on their businesses: green financing, green bonds, sustainable financial products, among others. • Serves as a mechanism to create synergies between subsidiaries, drive new initiatives, provide feedback and create corporate roadmaps.
Sustainable Assets under Management Platform	Forum that brings together all the parties of the corporation that work on initiatives associated with sustainable investments. It includes representatives from BCP, Prima AFP, Pacífico Seguros, Credicorp Capital and Credicorp's Sustainability Office.	<ul style="list-style-type: none"> • Defines action routes to direct capital flows to sectors or companies that have more sustainable practices. • Participates in building the capabilities that will enable us to advise clients and investees on how to ease the transition to sustainability.
ESG Risk Enabler	Working group in charge of managing the integration of ESG factors within risk management framework. It involves representatives of the Risk, Credit, Business and Sustainability areas, and actors from subsidiaries such as BCP and BCP Bolivia, Credicorp Capital, Pacífico Seguros and Prima AFP.	<ul style="list-style-type: none"> • Establishes and monitors the corporate ESG risk management roadmap. • Checks on the progress of subsidiaries. • Accompanies the implementation processes.
Environmental Enabler	Forum in charge of proposing, challenging and monitoring the environmental management plans of the subsidiaries. It involves representatives of the sustainability and maintenance teams of all subsidiaries.	<ul style="list-style-type: none"> • It seeks to improve the management and reduction of our direct environmental impact (e.g., carbon footprint, energy consumption, water and waste management).

Monitoring and reporting processes on climate-related issues

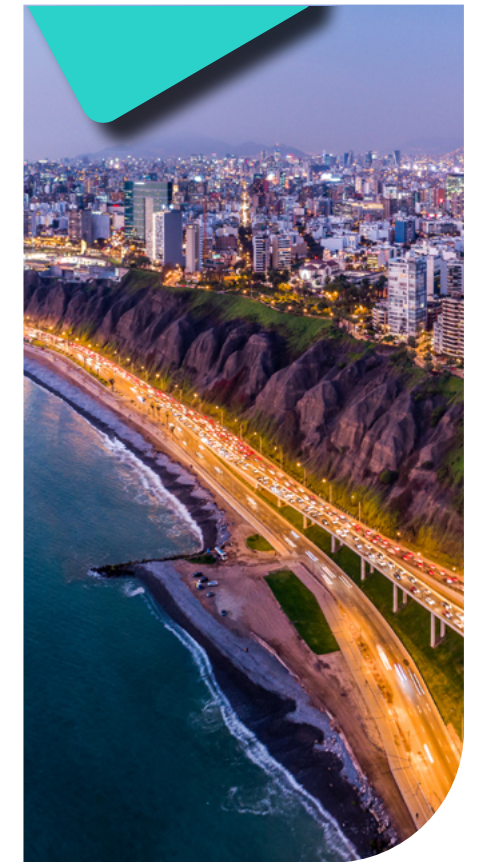
The “RAPI matrix” was established within the corporate governance model for the environmental strategy to define the process by which environment-related initiatives achieve approval. The matrix defined the roles of each governance entity for the review, approval, proposal, and informing (abbreviated to RAPI) of relevant initiatives. The RAPI matrix includes the following entities:



Here are some examples of the types of decisions approved through the RAPI matrix (the list is not exhaustive):

Initiative/milestone/process	BU Sponsor (CEO)	Corporate Sponsor	Sust. Steerco BU	Corporate Sust. Steerco	Sust. Committee of the Board	Board
Setting high-impact qualitative and quantitative objectives	R ²			R ³		A + Subsidiaries Boards
Selection of products and services to launch based on business cases	A					
All milestones of the Risk Pillar			R ³	R ⁴	A	
Updates to the governance model		R		A	I	
Updating and creation of environmental policies		R ²		R ³	R ⁴	A
Publication of the TCFD Report		R ³		A	I	

R REVEIW
 A APPROVE
 P PROPOSE
 I INFORM (VETO)



Investor Relations

Credicorp has an engagement strategy with investors, analysts, ESG rating agencies and other capital market participants. Reporting progress on its sustainability strategy, including progress related to climate and environmental issues, is a crucial part of this relationship. Credicorp actively

seeks meetings with investors to help understand their needs and expectations, which generates valuable feedback. The quarterly earnings calls, ESG roadshows, *conferences*, ad hoc events, and calls stand out among the most effective engagement mechanisms.

STRATEGY

CREDICORP

2



STRATEGY

Given the vulnerability to climate change of each country in which we operate and the global importance of the issue, we have worked alongside a renowned global strategic advisory firm to develop our corporate environmental strategy since 2022. This process involved a thorough analysis of Credicorp's current environmental and climate issues, *benchmarks* with other regional and global financial institutions, and fact-finding interviews with Credicorp directors, CEOs of the corporation and its subsidiaries, and other relevant corporate roles.

The environmental strategy, which puts climate change at the core, sets out a roadmap for the group until 2025. Thus, we have established **five pillars** with detailed work plans for each subsidiary of the group (BCP, Prima AFP, Pacífico Seguros, Credicorp Capital, Mibanco Peru, Mibanco Colombia, and BCP Bolivia):



1

Ambition and strategy

Build capabilities and measure financing and investment portfolio emissions to establish the starting point for the environmental transition and make decisions accordingly.



2

Growth opportunities

Promote green and transition businesses to generate new value prospects for the group's businesses.



3

Climate and environmental risk

Identify climate and environmental risks to develop the necessary qualitative and quantitative analytical skills to manage these risks in the loan and investment portfolio.



4

Program and delivery

Establish teams dedicated to implementing the strategy, generate internal knowledge of environmental issues, raise awareness about the importance of the strategy within the organization, and design the data structure.



5

Internal and external reporting

Disclose our progress through reports and drive advances at the national level as active participants with the government and local and regional industry peers.

2.A. Identification of Risks and Opportunities

The effects of climate change are becoming increasingly pertinent to the financial industry. Therefore, it is crucial to incorporate the risks and opportunities into the organization's business and strategy. The terms of our time frame for mapping these risks are defined below.

Term	Description
Short Term (ST)	Less than one year
Medium Term (MT)	Between one and five years
Long Term (LT)	Five years or more

Addressing climate-related risks

Below is the risk classification framework used by the organization, the potential risks identified according to this classification, the time frame by which they could materialize and their potential impact (not an exhaustive list).

Climate-related risk classification framework

Transition Risks	
Risks associated with the transition to a low-carbon economy	
Political and legal	Regulations that attempt to limit actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change and that could affect the institution
Technological	Technological improvements or innovations that support the transition to a low-carbon economy with an impact on organizations, which could disrupt specific industries
Market	Changes in the supply and demand of certain raw materials, products, and services due to the increasing importance that consumers place on climate impacts
Reputational	Stakeholders' perception of the organization's contribution (or lack of action) in transitioning to a low-carbon economy could affect the organization's performance

Physical Risks	
Risks caused by weather events or long-term changes in weather patterns. These could lead to financial repercussions for organizations, such as asset damage or production or supply chain disruptions	
Acute	The increased severity of extreme weather events, such as cyclones, hurricanes, floods, El Niño Southern Oscillation (ENSO) impacts, etc
Chronic	Long-term changes in weather patterns, e.g., continuous high temperatures, sea level rise, droughts, etc

Identification of transition risks:

Climate-related risks	Time frame	Potential financial and non-financial impacts
Policy and legislation		
Greater emission reporting obligations and new requirements on environmental issues. For example: The SEC's regulation on climate disclosure and the incorporation of sustainability standards into IFRS	ST	<ul style="list-style-type: none"> Operational costs to comply with legislation could increase Additional monitoring and reporting costs Investment of additional economic resources to carry out newly required studies
Mandates and regulation on existing products and services E.g., Financing regulations for specific sectors or the establishment of limiting conditions	MT	<ul style="list-style-type: none"> Loss of income because we are not able to finance clients who have been excluded by regulation Revenue losses if a product is limited by new regulation
Tax legislation on GHG emissions applicable to the financial sector	LT	<ul style="list-style-type: none"> Additional taxes or costs related to carbon offsetting
Increased capital requirements for banks by regulators, due to significant exposure to carbon-intensive industries (with the aim of ensuring that banks have enough backing to cover the risk)	LT	<ul style="list-style-type: none"> The increase in capital reserves could increase the costs of lending to our customers
Technology		
Replacement of existing customer products and services with low-emission options	MT	<ul style="list-style-type: none"> Customers in sectors that are replaced by other less carbon-intensive technologies could see an impact on their liquidity and ability to pay.

Identification of transition risks:

Climate-related risks	Time frame	Potential financial and non-financial impacts
Market		
Uncertainty in market trends	ST/MT	<ul style="list-style-type: none"> • Difficulty in evaluating and underwriting policies with adequate premium rates or financing rates considering clients' exposure to industries vulnerable to climate change and difficulty predicting frequency and severity • Impact on costs and conditions for the renewal of reinsurance contracts depending on the severity of climate events
Changes in consumer preferences that impact sectors where we have exposure	MT	<ul style="list-style-type: none"> • The ability of customers in carbon-intensive sectors to pay could be damaged. The value of the companies in which we invest could decrease if they are in carbon-intensive sectors
Exclusions from investment or financing of profitable sectors due to market pressure	MT	<ul style="list-style-type: none"> • Impact on profitability if we divest or stop financing profitable but emissions-rich sectors
Change in preferences of customers who would prefer to invest in more sustainable options	MT	<ul style="list-style-type: none"> • Impact on businesses associated with investments if we do not offer sustainable investment options that meet client expectations
Reputational		
Risk of "greenwashing" due to poor management of financial products labeled as green	ST	<ul style="list-style-type: none"> • Loss of customers to events that affect our reputation if product management and external communication is poorly delivered
Changes in our customers' preferences	MT	<ul style="list-style-type: none"> • Impact on revenues due to flight of clients who do not consider Credicorp to have sustainability practices that meet their expectations
Stigmatization of a sector in which our clients and investments are located	MT	<ul style="list-style-type: none"> • Impact on customer solvency and equity value in industries that are stigmatized by their poor environmental and climate management

Identification of physical risks:

Climate-related risks	Time frame	Potential financial and non-financial impact
Acute Risks		
Increased severity, frequency and/or duration of extreme weather events (i.e., intense rainfall generated by ENSO)	ST/MT	<ul style="list-style-type: none"> • Impact on the value of insured assets or companies • Negative impact on the liquidity and business continuity of clients of the organization's subsidiaries (banking, loss of profit insurance, microfinance) • Lower yields and/or loss of production (e.g., agriculture and fishing) • Impact on profitability of investments in affected sectors or locations • Impact on the operation of the organization's agencies and headquarters • Disruption to customer supply chains due to impacts on company assets and on critical public and private infrastructure, such as roads, ports, airports, power plants, etc. • In the insurance business, reinsurance contracts being used more frequently, which would increase the company's internal costs for claims payments and reinstatement premiums.
Chronic Risks		
Changes in rainfall patterns and extreme variability in weather patterns	MT/LT	<ul style="list-style-type: none"> • Loss of value to customer assets located in areas impacted by changes (desertification, flooding, etc.) • Financial impact on clients in sectors such as agriculture, livestock, and fishing. • Loss of competitiveness (profitability) among customers located in areas where the frequency and severity of extreme weather events have been increasing in recent years. • Changes in the risk appetite of reinsurers and possible reduction of insurance capacity in the country.
Increase in average temperatures	MT/LT	<ul style="list-style-type: none"> • Impact on operating costs of headquarters and agencies to maintain adequate office temperatures. • Impact on the health of our employees and customers • Impact on customers in sectors vulnerable to changes in temperature, such as agriculture, livestock, construction, and fishing
Sea level rise	MT/LT	<ul style="list-style-type: none"> • Loss of value of properties or assets in affected coastal areas (our own and our clients') • Disruption to customer supply chains due to impact on critical infrastructures such as shipping ports, airports, power plants, etc. • Increase in adaptation costs in affected areas (containment barriers, lifting of buildings, etc.)

Addressing climate-related opportunities

Below is the opportunity classification framework used in the organization, the potential opportunities identified according to this classification, the time frame by which they could materialize, and their potential impact (not an exhaustive list).

Climate-related opportunity classification framework

Classification of opportunities	
Resource Efficiency	Actions that improve the efficiency of production, distribution, buildings, machinery, and transport/mobility processes, particularly concerning energy efficiency, including water management and waste management. Such actions can result in direct cost savings for organizations' medium and long-term operations and contribute to global efforts to reduce emissions.
Power Source	Switching from energy sources to low-emission alternatives, such as wind, solar, tidal, hydroelectric, geothermal, nuclear, etc. It represents an opportunity because of its potential to reduce costs.
Products & Services	Development of new low-emission products and services that can improve our competitive position by taking advantage of changes in consumer preferences e.g., green financial products labeled, <i>sustainability-linked loans</i> , etc.
Markets	Access to new markets to diversify activities and improve positioning for transitioning to a lower carbon economy. This also takes place through partnerships with the government, NGOs, <i>startups</i> , or other organizations.

Identifying Potential Opportunities

Climate-related opportunities	Time frame	Potential financial and non-financial impacts
Resource Efficiency		
Reduction in water consumption and electricity consumption in headquarters and offices	ST	Reduced operating costs and increased efficiency
Use of more efficient means of transport	ST	Potential reduction of transport costs for employees, reduction of carbon footprint, improved well-being of employees
Power Source		
Switching to renewable energy sources for major offices	ST	Reduced exposure to potential fossil fuels price increases Reputational benefits and carbon footprint reduction
Participation in the carbon market	ST	Mechanism for achieving carbon footprint reduction targets
Products & Services		
Development of new green products and services, mainly in banking, insurance, investments, and microfinance.	ST	New sources of income Improved competitive positioning
Development of other climate-related services such as customer education, climate risk training, advisory services, etc.	ST	Strengthen our reputation in the market and encourage our clients' transition to an environmentally sustainable economy, generating new business opportunities
Innovation of existing products and services to integrate environmental and sustainable approaches	MT	Take advantage of changing consumer preferences, competitive positioning, positive revenue impacts
Markets		
Use of public sector incentives, multilateral funds, etc.	ST	Access to capital funds with preferential conditions that can be passed on to the end customer
Access to new markets that are becoming more relevant because of the transition	MT	New sources of income
Access to new assets or locations that require insurance products due to climate risks	MT	New sources of income

2.B. Impact of Climate-Related Risks and Opportunities

Impact of climate-related opportunities on business and strategy

Sustainable Finance Framework

In 2021, in collaboration with Mibanco, BCP developed a [Sustainable Financing Framework](#), which established the parameters and processes for issuing financing instruments for environmental and social purposes, such as bonds and commercial papers for public or private placement, loans, and repositories. The funds generated through these instruments are used to finance eligible projects within the framework, such as renewable energy projects, green buildings, energy efficiency, water management, wastewater management, sustainable management of natural sources, and sustainable land use. BCP designed the framework following international guidelines from the International Capital Markets Association (ICMA), the 2021 Green Bond Principles (GBP), the 2021 Social Bond Principles (SBPs), and the 2021 Green Lending Principles (GLP).













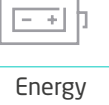


In 2022, the document went through a Second Party Opinion process conducted by S&P Global Ratings, receiving a “Strong” rating. This means that the framework meets international sustainability standards, has established the criteria for eligible projects, and is committed to transparent reporting of the use and impact of funds raised. In 2023, the Framework was updated to fit the BCP Environmental Taxonomy, while encompassing activities not envisaged at the time when it was first launched.

BCP’s Environmental Taxonomy

BCP’s Environmental Taxonomy was developed with the help of expert climate change consultants. BCP based its model on other relevant international taxonomies, such as those used in Europe and Colombia. This tool allows BCP to identify green financing opportunities in sectors and activities contributing to environmental sustainability. The eligibility criteria for each activity are based on cross-sectoral criteria (common environmental minimums), science-based environmental criteria specific to the activity, and international environmental sustainability certification.

This taxonomy is constantly reviewed and updated to account for the context in which we operate or changes in standards. This process is complemented by the newly created Sustainable Operations Committee, responsible for reviewing credit operations with sustainable potential and approving their categorization in the labeling process. BCP’s Environmental Taxonomy comprises prioritized activities from 12 economic and 3 cross sectors.

The sectors included are the following:

 Energy	 Construction materials suppliers	 Fishery and fishmeal
 Textile industry	 Agriculture & livestock	 Real estate
 Transport infrastructure	 Freight and passenger transport	 Vehicles & auto parts
 Food industry	 Wood, paper & printing	 Plastics
 Energy efficiency	 Circular economy: recycling, reusing and waste management	 Sustainable water and wastewater management

Green Products & Financing

In addition to the corporate environmental strategy, expert consultants helped design a sustainable finance strategy for BCP’s Wholesale Banking unit. They produced an analysis to estimate the size of the sustainable finance opportunity based on two climate scenarios. The opportunities were grouped into *value pools*, and depending on how they fit with the current portfolio, those with the greatest potential for the bank were given priority. Estimates were made for the scale of investment each sector will require in the coming years and the extent to which BCP could potentially provide each value pool with financing. Thus, a series of value propositions were designed as well as a global benchmark of leading banks’ products and services. In addition, a green-financing internal target was set for 2023 to 2025, and an organizational structure and roadmap were established for implementing the initiatives. BCP approved this strategy in the first quarter of 2023 and, in the second quarter, began the process of assigning the teams that will implement it.

At the same time, BCP moved ahead with sustainable financing initiatives: green-labeled operations, green bonds, and eco-factoring.

A) Green-labeled operations: BCP offers green financing that allows the organization to help clients transition to more environmentally sustainable business models. Green-labeled operations must meet the Environmental Taxonomy’s eligibility criteria or be externally validated by an SPO (*Second Party Opinion*). During the last quarter of 2022, the bank’s prioritized teams received 14 training sessions aimed at promoting the use of the taxonomy and at identifying opportunities for the allocation and labeling of green loans. As a result, the number of green-labeled financing doubled in Q2 2023 compared with the end of 2022. (See 4A Metrics section). [\(See 4A Metrics section\).](#)

B) Green bond issuance: In 2022, BCP issued a green bond for USD 30 million. This was the Peruvian private banking system’s first international issuance of a green bond. The bond was acquired by Amundi, Europe’s largest investment manager, through its Amundi Planet - Emerging Green One fund. The transaction proceeds were 100% allocated to a green building financing granted by BCP.

C) Eco-factoring: This BCP product offers *factoring* lines with preferential rates to SME suppliers of clients who comply with environmental good practices. As it is a transition product, the eligibility criteria of the Environmental Taxonomy do not necessarily apply.



RISK MANAGEMENT

3



RISK MANAGEMENT

3.A. Risk Identification and Assessment Process

ESG Risk Enabler

Following the formulation of Credicorp's sustainability strategy, the ESG Risk Enabler was established to develop a risk management framework that integrates ESG factors. This body brings together all the people involved in risk initiatives in a monthly forum led by Credicorp's CRO, where progress, achievements, and agreements are presented. In addition, the ESG Risk Enabler has a dedicated corporate PMO and a team that accompanies it. The Risk Enabler drives initiatives in these subsidiaries: BCP Peru, BCP Bolivia, Credicorp Capital, Pacífico Seguros, and Prima AFP. In addition, it operates through an ESG risk management framework with six areas: (1) Taxonomy; (2) Appetite; (3) Organization and governance; (4) Identification, assessment, and treatment; (5) Monitoring; and (6) Reporting (For more details on these areas, please visit the ["Our ESG Risk Management" section of the 2022 Sustainability Report](#)).

Climate and environmental risk identification processes in the financing portfolio

One of the ESG risk management framework's most relevant roles is identifying, assessing, and treating ESG risks. It aims to create a robust internal system for decision-making and competent management of the organization's exposure to climate and environmental risks.

Physical and transition risks' vulnerability heat maps

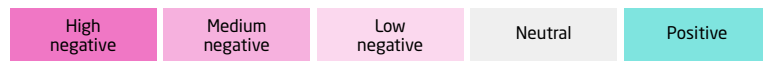
In 2021, with the support of an expert consultant, we conducted the first assessment of the vulnerability to environmental impacts and climate change in the main economic sectors in Peru. This research sought to identify and prioritize Peru's most relevant physical risks. The same task was performed for transition risks.



A) Physical Risks in the main sectors

Study conducted in June 2021

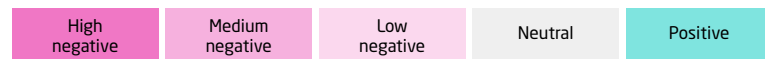
Sectors	ENSO	Cold Waves	Floods	Mass Movement	Glacial Retreat	Droughts	Sea level rise
1. Energy	High negative	Low negative	High negative	High negative	High negative	High negative	Neutral
2. Fossil fuels	Neutral	Neutral	High negative	High negative	Neutral	Neutral	Neutral
3. Mining	High negative	Neutral	High negative	High negative	High negative	Low negative	Neutral
4. Construction	Neutral	Neutral	High negative	Low negative	Neutral	Neutral	Neutral
5. Real Estate - Residential	High negative	High negative	High negative	High negative	Neutral	Low negative	Neutral
6. Real Estate - Commercial	High negative	Neutral	Low negative	Low negative	Neutral	Low negative	High negative
7. Construction materials suppliers	Neutral	Neutral	Low negative	Low negative	Neutral	Neutral	Neutral
8. Freight and passenger transport	High negative	High negative	High negative	High negative	Neutral	Neutral	Neutral
9. Auto parts	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
10. Activities complementary to transportation	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
11. Food industry	High negative	High negative	Low negative	Low negative	High negative	High negative	Neutral
12. Fishing and fish meal	High negative	Neutral	Neutral	Neutral	Neutral	Neutral	Low negative
13. Agriculture and livestock	High negative	High negative	Low negative	Low negative	High negative	High negative	Neutral
14. Wood, paper and printing	Neutral	Neutral	Low negative	Low negative	Neutral	Neutral	Neutral



B) Transition Risks in the main sectors

Study conducted in June 2021

Sectors	Carbon pricing	Industry decarbonization	Regulation and environmental standards to operate	Social licence	Nature based solutions	Circular economy
1. Energy	High negative	High negative	Low negative	Low negative	Low negative	Neutral
2. Fossil fuels	High negative	High negative	Low negative	High negative	Low negative	Neutral
3. Mining	Low negative	Neutral	Low negative	High negative	Low negative	Low negative
4. Construction	Low negative	Neutral	Low negative	Neutral	Neutral	Positive
5. Real Estate - Residential	Neutral	Positive	Neutral	Neutral	Positive	Low negative
6. Real Estate - Commercial	Neutral	Low negative	Neutral	Neutral	Positive	Neutral
7. Construction materials suppliers	Low negative	Neutral	Neutral	Neutral	Neutral	Low negative
8. Freight and passenger transport	Low negative	Neutral	Neutral	Neutral	Neutral	Positive
9. Auto parts	High negative	High negative	High negative	High negative	High negative	High negative
10. Activities complementary to transportation	Low negative	Neutral	Neutral	Neutral	Neutral	Positive
11. Food industry	Neutral	Low negative	Low negative	Neutral	Neutral	Positive
12. Fishing and fish meal	Neutral	Low negative	Low negative	Neutral	Positive	Positive
13. Agriculture and livestock	Positive	Neutral	Low negative	Neutral	Positive	Positive
14. Wood, paper and printing	Positive	Neutral	Low negative	Neutral	Positive	Positive



Materiality and scope definition in BCP’s portfolio

To enhance the ESG risk identification analysis in relation to financing, BCP defined a hierarchy of sectors based on a materiality assessment. This study was based on (1) the impact of the sectors on the environment measured by their level of carbon emissions and (2) their relevance within the financing portfolio. In addition, a low-, medium-, and high-impact score was developed using information from recognized external sources and complemented with internal historical information. As a result, we prioritized ten of the most carbon-intensive sectors with the purpose of deepening the risk evaluation and management process: energy, mining, fossil fuels, fishing, construction materials suppliers, transport, agriculture, real estate, construction, and textiles. In addition, BCP decided that the ESG risk identification exercise would be applied to Corporate and Business Banking clients (within these sectors) with a maximum debt capacity equal to or greater than USD 10 million. This represents around 35% of the total exposure of the wholesale portfolio.

ESG risk identification questionnaires for BCP Wholesale Banking clients

In 2022, BCP updated the questionnaires used for the annual client evaluations to integrate the ESG risk assessment of the ten prioritized sectors. These ten new ESG questionnaires (applicable to the ten sectors) were developed through an in-house study with input from specialist international consultants and feedback from the most relevant clients in each sector.

The questionnaires aim to identify, assess, and rate the ESG risk exposure faced by our customers and their ability to manage these risks. The questions reflect the risk taxonomy described above. It includes questions about physical risks, transition risks, and other anthropogenic impacts associated with climate and the environment, such as GHG emissions, air, soil, and water pollution, loss of biodiversity, among others. Furthermore, with the support of an external expert advisor, BCP’s modeling team created an internal ESG scoring system. It allows BCP to quantify a client’s risk based on the responses obtained from their questionnaires.

The results of the questionnaires, filled out by clients, allow BCP to divide the risk into three categories: high, medium, or low. In the event of obtaining a medium-risk score, the main identified risks are communicated to the clients so that they can prevent damage to the environment. If a high-risk score is obtained, potential mitigation measures are evaluated with the client or an evaluation is made by an independent environmental expert in order to perform a due diligence of its environmental management, and/or to include specific contractual clauses on environmental aspects. Since 2023, BCP has used these questionnaires in the regular annual credit review of approximately 350 clients in the ten prioritized sectors that qualify under the abovementioned criteria.

BCP Wholesale Banking Collateral Evaluation Questionnaires

BCP updated its collateral evaluation questionnaires for real estate and mortgages to include questions regarding environmental and social factors. The evaluation contains inquiries about the location, the environment, acute physical risks, chronic physical risks, natural risks, polluting materials, and activities. The questionnaires for collaterals will begin to be used in the first half of 2024.



Identifying physical risks in the insurance underwriting process

Pacífico Seguros' insurance underwriting process also includes an assessment of climate-related risks. The underwriting team performs a risk validation analysis based on the company's "risk appetite" and applies it to all property policy quotes. Climate risks are among the variables reviewed as part of this validation process. Customers must provide information about their insured premises, such as proximity to streams or rivers, since the potential hazards associated with climate risks and historical accident rates are evaluated using this data. Based on this assessment, Pacífico will accept or reject the risk. For accepted businesses, specialized criteria are established based on the risk exposure. For example, a higher differentiated deductible may be included in areas exposed to intense rainfall or flooding. Certain hazards are not insured, as stated in the company's internal underwriting policies.

Insurance underwriting customer inspection process

Pacífico Seguros' risk engineering department conducts inspections of customers' facilities to assess their risks before underwriting the property insurance. Customers go through the inspection if they meet specific materiality thresholds based on their total declared value and the type of business. The inspection report is based on on-site observation of visible elements during the visit to the client's premises

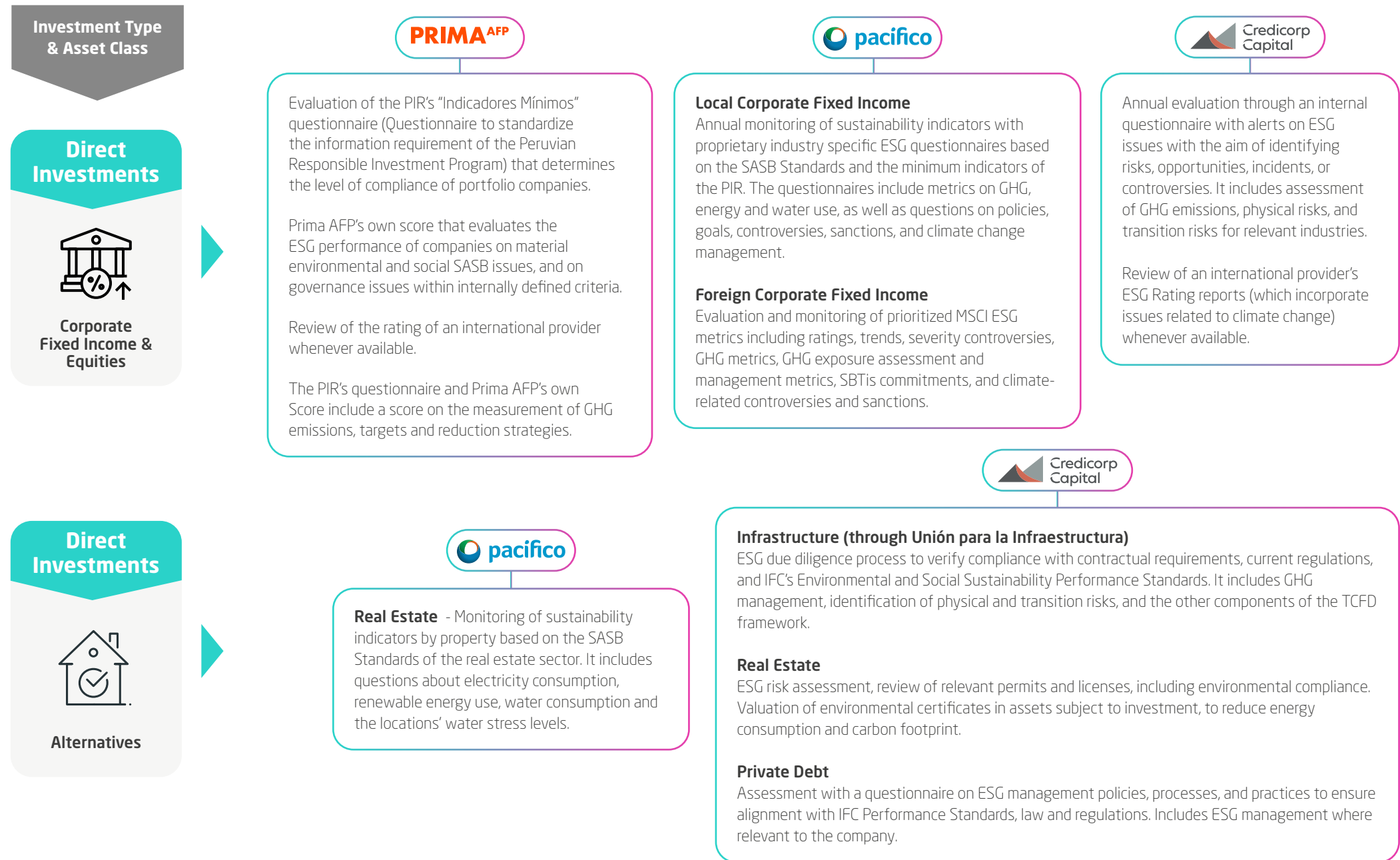
and supplemented with information from interviews with relevant personnel. In cases where a risk is identified, the report includes an assessment of potential damage due to climate effects, for example, heavy rainfall, floods, mudslides, landslides, and the reactivation of streams, among others. The report also offers recommendations on how the client should manage these risks, for example, by making contingency plans and cleaning up at-risk areas. It includes a description of the property's surroundings and vulnerability to adverse weather.

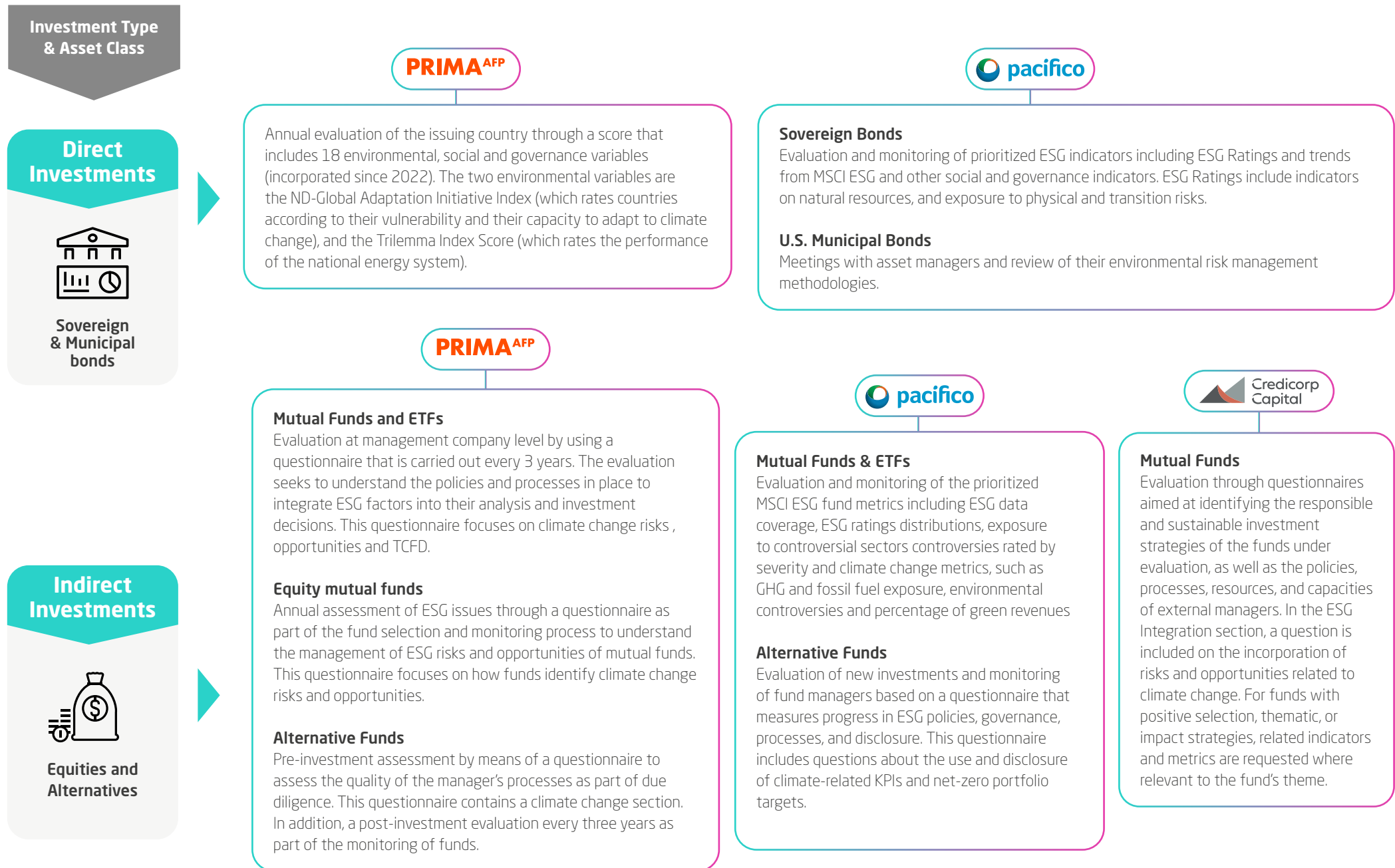
Investee evaluation process

At Credicorp, we understand the impact our investments could have on climate change and our vital role as investors in supporting the transition to a low-carbon economy. Therefore, Prima, Pacífico, and Credicorp Capital have ESG integration strategies in their investment processes to include ESG factors in the analysis and decision-making process related to investments and in evaluating and monitoring investees.



Prima, Pacifico Seguros and Credicorp Capital ESG integration strategy by asset class:





Portfolio carbon footprint measurement process

At Credicorp, we are also aware that, as a financial institution, we enable the activities of the companies we invest in and provide financing to; in other words, we enable their GHG emissions. In this sense, our most significant GHG emissions are our portfolio emissions, which is why we began the process of measuring them. To do so, we have adopted the PCAF standard and its measurement methodology: "Global GHG Accounting and Reporting Standard for the Financial Industry." In 2023, the project focused on three groups: the investment portfolio of Pacífico Seguros, Prima AFP, and the financing portfolio of BCP's Wholesale Banking. Specifically, work has been done on building capabilities and creating the tools required to measure our portfolio emissions using PCAF. The investment units of Pacífico Seguros and Prima AFP have already partially measured the carbon footprint of their portfolios, and BCP has launched a pilot program for the ten prioritized sectors of Wholesale Banking.



Measuring our portfolio emissions is a key first step to manage it



3.B. Climate Risk Management Process

Credicorp has tools and processes to manage and mitigate climate-related risks in its subsidiaries. These processes are described in the guidelines of various policies at corporate and subsidiary levels.

Corporate policies and guidelines:

- **Corporate Policy for Responsible and Sustainable Investments**

This document outlines the general guidelines for the integration of ESG factors in the investment decisions of our subsidiaries and defines negative screening, positive screening, thematic investments, and our active role with our investees. One of the main mechanisms used to mitigate climate-related risks in our investment processes referred to in this policy is the coal exclusion criterion: subsidiaries do not invest in companies whose main activity is the production or commercialization of coal.

- **Credicorp Environmental Policy**

This document establishes the framework for planning and implementing actions that improve our environmental performance and manage our businesses and operating models' direct and indirect environmental impacts. Credicorp outlines a series of commitments in this policy, including our commitment to be carbon-neutral in our direct operations by 2032. [\(See Section 4C\)](#)

- **Supplier Management**

We have a supplier approval process that includes evaluating ESG aspects through a questionnaire made by a rating agency. This contains questions about environmental management standards (ISO 14000), other national and international standards, environmental management indicators, and training programs. This section is informational but not mandatory. The approval process is limited to suppliers that reach a certain level based on materiality.

Subsidiary-level policies

- **BCP's ESG credit risk policy**

This policy aims to ensure the adequate management of environmental, social and governance risks, as well as to identify the most relevant risks and the actions that clients should take to mitigate them. The document outlines the identification, evaluation, categorization, treatment, monitoring, and reporting process of ESG risks. It also sets out the methodology used to apply the ESG questionnaires to clients belonging to the prioritized sectors of Wholesale Banking whose current maximum debt capacity is greater than or equal to USD 10 million. Furthermore, it defines the list of activities excluded from the financing portfolio, which includes coal production and commercialization (which applies to all clients in the portfolio). These exclusions are aligned with corporate exclusions applied to investments.

- **BCP socio-environmental project finance risk policy, in accordance with the Equator Principles**

This policy aims to ensure responsible social and environmental management for projects that require direct or indirect financing greater than USD 10 million. To this end, it seeks to identify relevant socio-environmental risks and mitigation actions. The document establishes the comprehensive process of categorization and monitoring of these risks in project financing to identify impacts and management plans in line with the standards set by the Equator Principles and the regulations of the *Superintendencia de Banca y Seguros del Perú* (SBS) for the management of socio-environmental risk. The assessment uses questionnaires put together in the context of local and IFC performance standards; they categorize the project into three risk levels: high, medium, and low. Each risk category is managed differently:



Medium-level risk category:

the client is required to commission legal due diligence by an independent reviewer and, if applicable, socio-environmental due diligence. Based on the results, the observations of the independent reviewer are evaluated to determine whether to continue with the operation. Should it proceed, covenants are included in the contracts to control any possible risks.



High-level risk category:

The client is required to commission two due diligences (one technical, one legal) performed by an independent reviewer and, if applicable, socio-environmental due diligence. Based on the results, independent reviewers' observations are evaluated to determine whether to continue with the operation. Should it proceed, a management plan to mitigate the project's social and environmental risks and/or covenants to ensure compliance are included in the contracts.

- **Responsible and sustainable investment policies applied to the main subsidiaries linked to investments:**

Credicorp Capital, Prima AFP, and Pacífico Seguros have responsible investment policies that are aligned with the corporate policy. The individual policies outline specific procedures and considerations for managing their portfolios.

Risk management at Mibanco

Mibanco Peru, and Mibanco Colombia are part of the group's microfinance business line. Initiatives associated with climate change are specific to this type of business and are adapted according to the type of customers affected.

Mibanco Colombia:

In 2021, the *Superintendencia Financiera de Colombia* (SFC) issued the regulation "Circular Externa 031" for the disclosure of social and environmental issues, including climate issues, via SASB (Sustainability Accounting Standard Board) and TCFD standards. This regulation prompted Mibanco Colombia to strengthen its climate risk identification and management mechanisms. They are establishing an Environmental and Social Risk Analysis System (SARAS in Spanish). Part of this system involves assessing and managing risks that impact your portfolio. SARAS is part of the bank's relational model, by which business advisors visit their customers before granting a loan. During the process, the client is evaluated according to the environmental impact of their economic activities, the permits required to manage natural resources, and the efficient use of resources. In addition, Mibanco Colombia has a list of restricted activities, for example, the production or trade of timber or other forestry products from unregulated logging. A series of internal bodies monitor compliance with evaluations, and credit approval is based on the analysis of the results.

In the case of bad weather events, customers and branch leaders are surveyed to identify those customers that could be affected as well as any potential impact on the bank. With this information, the bank also provides alternatives to make the payment process easier on customers hit by bad weather.

In addition, the sales force and customers receive training on climate and environmental issues. This includes environmental education and awareness sessions to familiarize attendees with climate risks, damage mitigation and adaptation, and care for natural resources and their impact on their surroundings. Information focused on specific economic activities such as agriculture is also provided, and businesses are advised on raising additional income from opportunities associated with the environment, such as recycling, composting, and circular economy, among others. In 2022, the bank achieved 3,681 environmental awareness impacts for clients and employees.

Mibanco Perú:

Similarly, Mibanco Peru restricts certain activities in its financing operations, such as logging without authorization from the Institute of Natural Resources (INRENA) and mining activities without environmental certifications and required permits. In addition, they require an evaluation questionnaire on environmental requirements, which applies to loans above S/ 150,000.00.

Risk management and actions prompted by the El Niño Southern-Oscillation (ENSO)

At Credicorp, we work closely with our clients in preparing for and responding to the impact of the El Niño phenomenon. Given the risks posed by this climate phenomenon in the region, the subsidiaries identified actions to mitigate the impact on their most vulnerable customers and thus promote early management of environmental risks. Also, they have risk-management processes, risk-exposure measurements, and mitigation plans, and provide risk prevention support and education for customers.



• **Pacífico Seguros**

Pacífico Seguros is exposed to the risks associated with ENSO due to the policies it underwrites. During ENSO years, the company experienced an increased volume of claims, which led to increased costs. For example, heavy rains caused by ENSO in early 2017 resulted in losses in the insurance business of approximately USD 133.7 million (as of December 31, 2020), of which Pacifico Seguros assigned 95.5% to reinsurers and coinsurers. An estimated 4.1% was a net retained loss, which remained within the risk appetite. Faced with these risks, Pacífico Seguros has established claims reserves to account for potential losses and claims arising from climate risks, specifically related to phenomena such as El Niño.

• **BCP**

BCP implemented internal risk management policies based on ENSO that apply to Wholesale Banking. These include monitoring customers’ financial performance and payment behavior of customers in these sectors: agriculture, fishing, textiles, and freight and passenger transport. The Credit department analyzes the impact of ENSO on the regular reviews of customers in the sectors mentioned above to make the appropriate decisions. In addition, possible physical damage, such as flooding due to the proximity of customers to rivers and streams put at risk by ENSO will be reviewed. Finally, BCP created risk metrics for the phenomenon (low, medium, and high) to categorize customers, identifying a series of monitoring actions according to the risk level.

• **Mibanco**

Mibanco is developing a “Peru Preparado” strategic plan to prepare for ENSO. The project aims to encourage business leaders to take preventative measures and offer them financial solutions to help protect their businesses or homes against natural disasters. This plan includes actions to raise awareness and train customers on ENSO through WhatsApp courses, content on the Yevo website, and regional fairs in Piura and La Libertad (regions that are typically more affected), alongside public and private entities. In addition, Mibanco has prepared preventive financial solutions such as the “Negocio Protegido” and “Hogar Flex” insurance products, which protect customers’ homes and businesses against unexpected events including natural disasters. Furthermore, the product “Refuerza Perú” was created to help customers proactively protect their homes and businesses against heavy rains, floods, and mudslides triggered by ENSO. This product aims to provide entrepreneurs with the economic means to invest in reinforcing the structure of their businesses and homes, enabling drainage systems in homes, premises, warehouses, and agricultural properties, or protecting electrical installations.

3.C. Integration of Climate Risk Management into the Overall Risk Management

In terms of financing, BCP continues to strengthen its ESG risk management by distributing the questionnaires to Wholesale Banking clients mentioned above [\(See section 3A\)](#). BCP's ambition is to integrate the results of the questionnaires in a complementary analysis to the evaluation of their clients' financial risks to mitigate the ESG and financial risks. For this reason, we are working on capacity-building to apply the ESG questionnaires' results in the client risk management process. During 2022, BCP conducted trainings on the Environmental and Social Risk Analysis System and sustainable finance for bank employees involved in this process. We are also working on the development of ad hoc training on sectoral risks related to the prioritized sectors of Wholesale Banking.

On the investment side, the results of the investee evaluations of Prima, Pacífico Seguros, and Credicorp Capital portfolios are used for planning investee engagement activities. Based on the responses, they can identify the main areas for sustainability improvement and focus efforts on these issues during the engagement activities. The goal is to encourage ESG best practices, including carbon footprint measurement and disclosure.

Some of the main engagement activities were the following:

- Credicorp Capital and Prima AFP are part of the CDP's "Non-Disclosure Campaign," whereby a lead investor, backed by a group of co-signatory investors, sends a letter prepared by CDP to request companies to report under the CDP system. This campaign seeks to increase disclosure by investees about management strategy and its impact on climate change, deforestation, and water security. In 2022, Credicorp Capital contacted six investees, and two committed to reporting. Prima AFP contacted 11 companies, and, as a result, one company reported to CDP, while the two companies approached in the previous year continued to do so.
- During 2021 and 2022, Credicorp Capital participated as a supporting investor in a pilot scheme with a group of PRI signatories in Chile to raise awareness among Small Cap and Fixed Income investees and to coach them on the TCFD reporting framework. As part of this initiative, Credicorp Capital held a free workshop on TCFD, attended by 16 investees.
- In 2023, Credicorp Capital expanded its engagement activities to its direct investments in alternatives. Regarding infrastructure, as part of its Equity strategy, an engagement process was designed to address the gaps identified in the internal ESG management questionnaire on identifying risks and opportunities associated with climate change and the measurement and management of GHG emissions. In terms of real estate, Credicorp Capital started discussions with two operators of the Inmoval fund in Colombia to learn about their sustainability strategies and to request energy and water consumption information at the asset level.
- Prima AFP carries out an Annual Engagement Plan based on the material ESG aspects on which it seeks to influence companies with direct investments. During 2021, a total of eight companies from five different industries were targeted. Prima AFP identified 36 topics classified as material, including GHG emissions' measurement and reduction targets, and held meetings with companies to discuss these issues and monitor their progress. Four of the eight companies targeted continued with the engagement process during 2022. In 2023, Prima AFP addressed GHG emissions in its first interaction with seven of the 14 prioritized companies.

METRICS & TARGETS

4



4.A. Risk and Opportunity Assessment Metrics

Green & Transition Products

Green products granted by BCP in 2023 at the end of Q2:

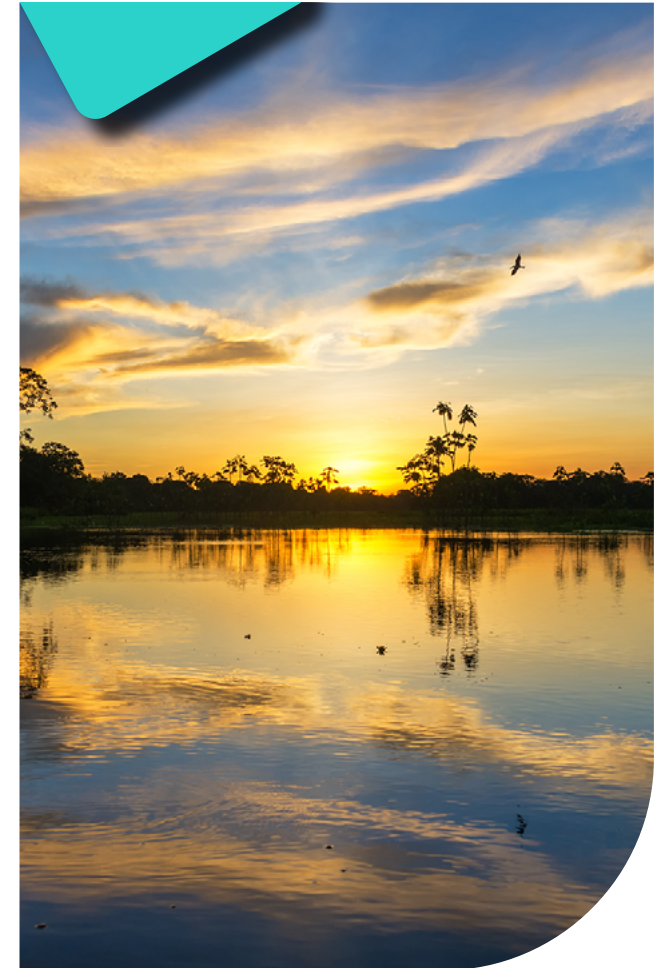
Number of green loans (tagged)	17
Number of customers with green loans (tagged)	16
Total approved amount of green lines of credit (tagged) (USD Millions)	131.13
Total approved amount of green medium-term loans and leaseings (tagged) (USD Millions)	16.55

Transition products placed by BCP in 2023 at the end of Q2:

Total disbursed amount in eco-factoring lines (transition product) (\$/ millions)	109.00
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Green lines of credit tagged by BCP from 2022 to June 2023 by type of activity based on the Environmental Taxonomy:

Activity according to the environmental taxonomy	Number of operations
Green timber industry	1
Sustainable water and wastewater management	4
Green agro-export	9
Green agribusiness	2
Circularity: recycling, reusing and waste management	2
Commercial buildings with green criteria	1
Electricity generation from hydropower	2
Electricity generation from solar energy	1
Green paperboard & paper industry	1
Sustainable fishing for direct human consumption / Sustainable aquaculture	1
Green vehicles & spare parts	3
TOTAL	27



Green products granted by BCP Bolivia in 2023 accumulated at the end of Q2:

Amount of green financing tagged: Medium Term (USD MM)	5.1
Amount of green financing tagged: Working Capital Lines (USD MM)	9
Number of verified green loans	3
Number of customers financed with verified green loans	3

Green and Sustainable Bonds at the end of Q2 2023:

Subsidiary	Amount invested in green and/or sustainable bonds
Credicorp Capital Asset Management	S/ 89 MM ³
Pacífico Seguros	> S/ 150.00 MM ⁴
Prima AFP	S/ 834 MM ⁵

Social and environmental assessments in project finance:

Results of the BCP social and environmental project finance risk policy evaluations (from 2018 to June 2023):

Sector	Low risk	Medium risk	High Risk
Energy	4		
Mining	2		
Infrastructure	7	1	
Oil & Gas	1		1
Real Estate	3		
Agricultural	1		
Processing industry	2		
Total	20	1	1

³ In bonds with clauses that limit the use of funds to environmental purposes (only considers Latin American Fixed Income portfolios and local fixed-income portfolios in Peru)

⁴ In bonds with clauses that limit the use of funds to environmental purposes

⁵ In sustainable bonds whose resources are allocated to projects that have environmental purposes



ESG assessment in Wholesale Banking loans:

In 2022, environmental questionnaires were distributed to 98 clients from four Wholesale Banking sectors. By the end of 2023, the updated questionnaires (ESG questionnaires) will cover all 10 prioritized sectors.

	Universe	Evaluated	Low Risk	Medium Risk	High Risk
Number of customers	98	85	77	8	0

ESG integration in investments:

The coverage and level of implementation of the ESG integration processes (at the end of 2022) varies by subsidiary:

Subsidiaria	Scope of the exclusion strategy	Scope of the Responsible and Sustainable Investment Policy:	Level of ESG integration strategies implementation
Credicorp Capital Asset Management (CCAM)	77 %	93 %	57 %
Pacífico Seguros	100 %	100 %	44 %
Prima AFP	82 % ⁶	100 %	94 %

Scope of the exclusion strategy:

Percentage of assets under management to which the exclusions included in the Corporate Policy for Responsible and Sustainable Investments apply (out of the total portfolio). The asset classes excluded from the scope are:

- CCAM: (1) those in which the subsidiary does not control the investment decisions of the underlying assets (since external managers manage them) and (2) those in which the exclusion could not be implemented since it is not possible to partition the product until it matures⁷.
- Prima AFP: Alternative funds since they lack flexibility as illiquid positions.

Scope of the Responsible and Sustainable Investment Policy:

Percentage of assets under management that fall under the relevant strategies for each subsidiary, including exclusions, ESG integration (for internally managed investments and in the selection and monitoring of third-party funds and external managers), active ownership, among others (over the total portfolio). In the case of CCAM, the asset classes excluded from the scope are (1) cases where assets are only safeguarded and not actively managed and (2) structured products⁸.

Level of ESG integration strategies implementation:

Percentage of assets under management with an ESG analysis and monitoring processes already in place (out of the total portfolio). CCAM, Pacífico Seguros, and Prima AFP began their ESG integration process in 2022, 2021, and 2019, respectively.

⁶ In Prima AFP, the Negative Screening or Exclusions strategy applies to the public portfolio, 82% of the total portfolio as of 2022.

⁷ For Credicorp Capital Asset Management, the exclusions strategy does not apply to AUM in third-party funds (1.6% of AUM) or structured products (7% of AUM).

⁸ CCAM: Excluded are structured products (7% of AUM) and a type of private equity fund (1% of AUM)

4.B. Greenhouse Gas Emissions and Other Indicators

The reduction of our direct environmental impact must be integrated into our operating model, to become an environmentally sustainable organization. The first step in reaching our goal of carbon neutrality in our direct operations is measuring our carbon footprint. To do this, we apply methodologies and standards such as the GHG Protocol and ISO 14064-1:2018.

Credicorp's carbon footprint for 2022 is the sum of the GHG emissions inventories of each of our principal subsidiaries. This data is audited by an independent third party.

Categories	t CO2 eq ⁹	% of total
Scope 1	2,065.27	4.75 %
Scope 2	16,078.63	36.99 %
Scope 3	25,322.31	58.26 %
TOTAL	43,466.20	100 %

Credicorp's scope three material emissions are divided into eight GHG Protocol¹⁰ categories:

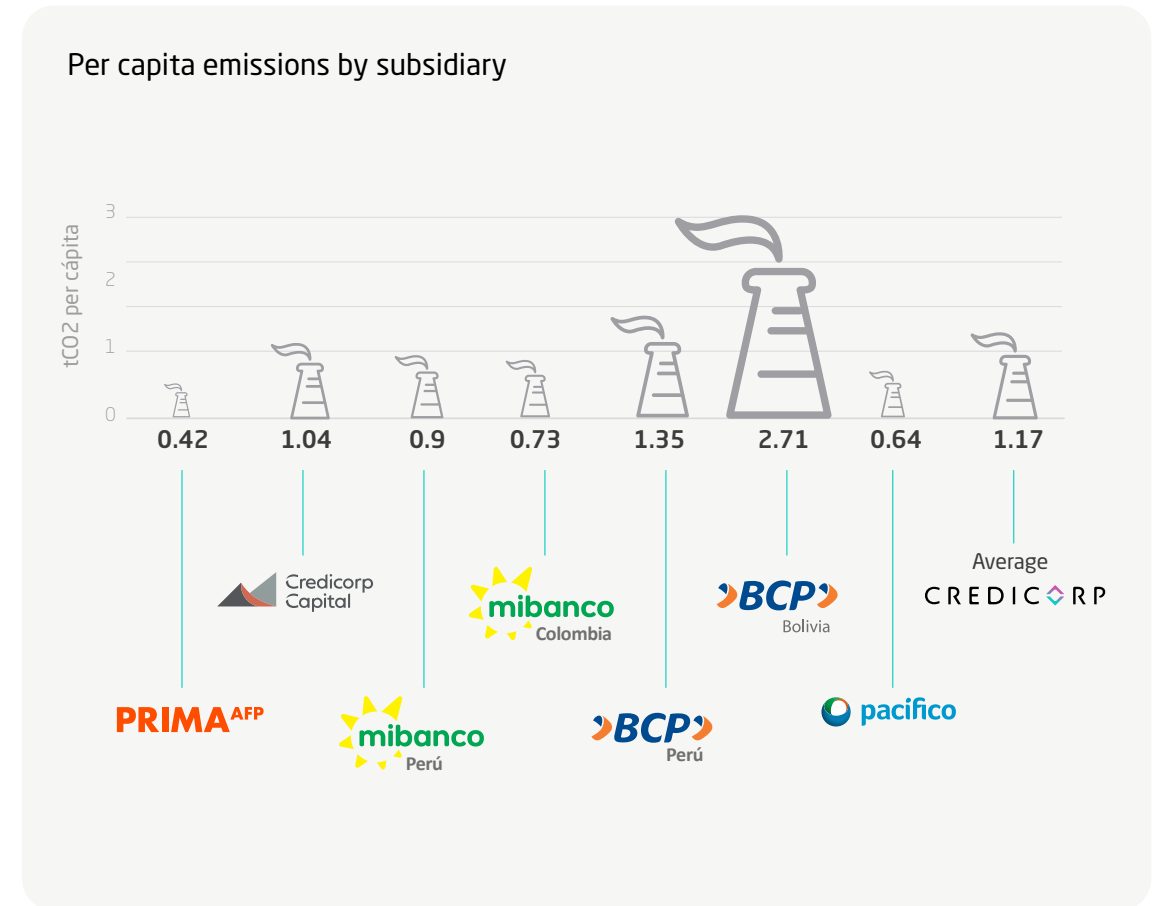
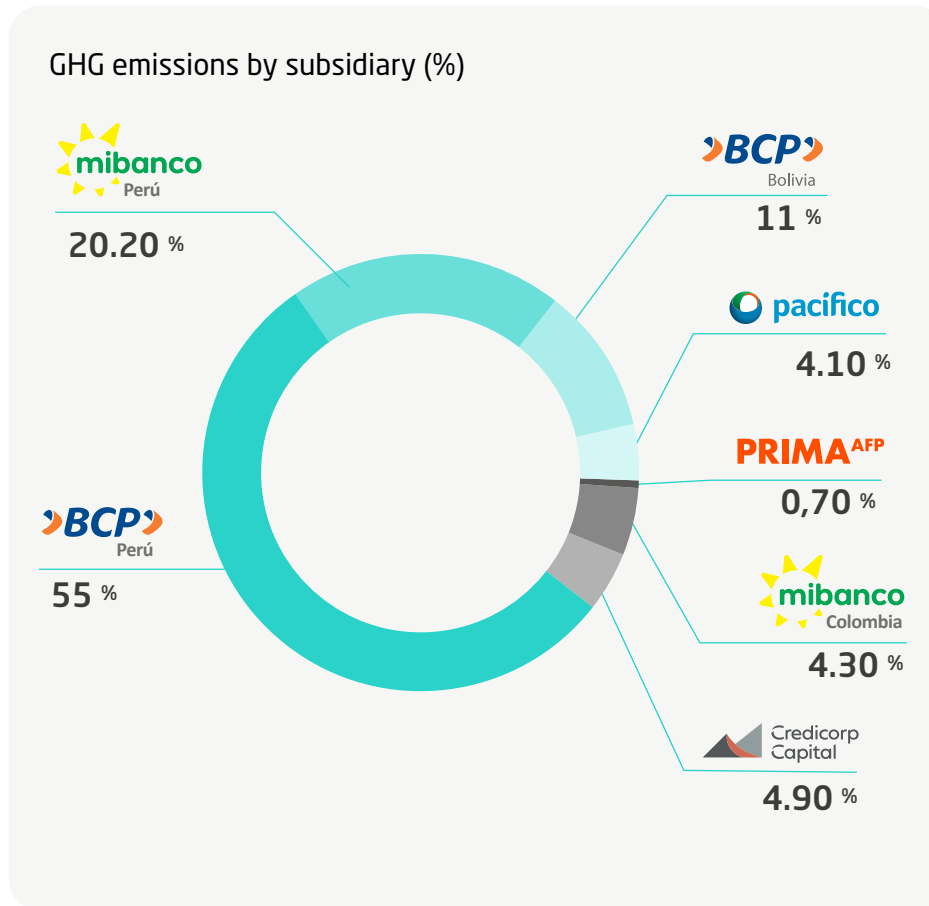
Scope 3 Categories according to GHG Protocol	t CO2 eq
1. Purchased goods and services	2,194.13
3. Fuel and energy-related activities not covered by scopes 1 and 2	387.81
4. Upstream transport and distribution	220.55
5. Waste generated in operations	1,552.83
6. Business travel	3,688.11
7. Employee commuting	16,771.63
9. Downstream transportation and distribution	507.24
15. Investments (GHG emissions from investment and financing portfolios)	Currently Unavailable

⁹- Metric tons

¹⁰- Emissions from categories 2, 8, 10, 11, 12, 13, 14 are not included as they are not significant according to the results of the GHG significance analysis. In 2022, the portfolio footprint was not yet measured (cat. 15) and is not part of the emissions inventory.



The total GHG emissions per subsidiary are distributed as follows:



The top three emission sources account for more than 80% of our operations' emissions:

Main sources of emission	t CO2 e	%
Electricity consumption	16,078.6	37.0 %
Employee commuting	15,846.1	36.5 %
Air travel	3,251.3	7.5 %

Other Environmental Indicators

2022 Results	
Total power consumption	78,355 MWh (More than 50% of this came from renewable sources)
Total water consumption	632,101 cubic meters of water
Total solid waste generated	1,367 tons



4.C. Our Commitments and Objectives

One of our main goals, in line with our ambition to support the transition to a low-carbon economy, is to be carbon neutral by 2032 in GHG emissions from our direct operations¹¹. Although 2022 was the base year to establish this emissions reduction goal, we had already implemented 18 emissions reduction initiatives through the subsidiaries that prevented the emission of **6032 tons of CO2e**.

Subsidiary	Mitigation action	Avoided emissions (tCO2e)
BCP	Employee commute reduction	3,831.63
	Reduced paper consumption	255.16
	Energy-efficient air conditioners	182.58
	Solar Panels	39.85
	Waste Recycling	20.72
BCP Bolivia	Waste Recycling	593.13
Credicorp Capital	Waste Recycling	2.22
Pacífico Seguros	Digital Policies	101.22
	Full flex initiative	806.76
Prima	Agency Optimization	2.41
	Waste Recycling	0.98
	Energy-efficient air conditioners	0.78
Mibanco Perú	Solar Panels	30.62
	Switching cars from Diesel to LPG	37.9
	Timers in luminous friezes	7.94
	Agency optimization	46.57
	Waste recycling	59.13
	Energy-efficient air conditioners	12.5
Total		6,032.1

Carbon offsets

Pacífico Seguros offsets its GHG footprint and has been carbon neutral since 2013. In 2022, Prima joined this initiative and offset 100% of its footprint. The carbon credits used to offset the emissions of both subsidiaries come from a project to reduce deforestation and degradation in the Tambopata National Reserve and the Bahuaja-Sonene National Park in Peru's Madre De Dios region.

Reduction and mitigation actions

- **Energy:** Change from incandescent to LED luminaires, installation of solar panels in agencies and headquarters, installation of more efficient air conditioning systems (*inverters*), and energy-saving campaigns in offices and agencies.
- **Transportation:** Implementing a hybrid work format to allow employees to work from home. Transitioning to dual cars in Mibanco - the units' engines are converted from diesel to LPG consumption, generating fewer emissions per kilometer traveled.
- **Waste:** Reduction of the consumption of materials (mainly paper), digitalization of products and processes, with third parties to collect and recycle waste, and installation of designated bins for recycling.

¹¹- Includes scope 1, scope 2 and scope 3 material categories (except portfolio emissions).

The image features a vibrant green abstract background with flowing, organic shapes that resemble stylized leaves or petals. The colors range from a bright, almost white-green in the center to deep, dark greens and purples towards the edges. The overall effect is one of natural growth and movement.

CREDIC  RP